

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Subscription rates: Africa \$200, Asia \$250, Europe \$150, Middle East \$180, North America \$100, Oceania \$120, South America \$150.

No. 34,052 34/92

PARIS, FRIDAY, AUGUST 21, 1992

ESTABLISHED 1887

What Bush Needs to Win in November Even Skeptics Are Not Using Words Like 'Impossible'

By Paul F. Horvitz International Herald Tribune WASHINGTON — Technically, he is in very deep trouble. But beyond the who's-on-top polling numbers of the presidential campaign, there are opportunities for President George Bush.

the oft-quoted "horse race" polling numbers, which currently show Mr. Clinton with a 17- to 25-point advantage. Instead, Mr. Hart focuses on three barometers: the public's view of the economy, the nation's overall direction and of how well a president is handling his job.

Johnson in 1964 and Richard Nixon in 1972 had larger leads in the polls than Mr. Clinton does at this point in the campaign. "A turnaround for Bush is not likely, but it's possible," Mr. Huggick said.

Help From an Old (Democratic) Hand

By R.W. Apple Jr. New York Times Service HOUSTON — Harry S. Truman, the president at the beginning of the Cold War, has become the patron saint of George Bush, the president at its ending.

A. Rowe Jr. and Clark Clifford, on which Mr. Truman based his campaign. Then the president got a copy of David McCullough's monumental new biography, "Truman," read the first 60 pages, jumped to page 653 and devoured the chapter on the 1948 campaign.

also had trouble giving a good speech, and also was written off as a loser by a lot of politicians and a lot of reporters. Then he won. If the Republican campaign bears any resemblance to the Republican convention, and party leaders say it will, it will be a lot more personal and a lot more caustic than anything that the voters of 1948 heard.

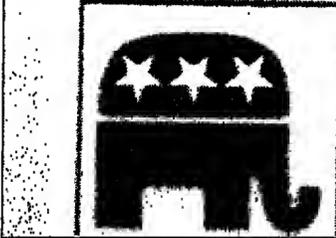


George Bush trying out the microphone Thursday in the Astrodome at Houston before his acceptance speech. The president is trying to regain ground in the polls by following the Democrat Harry S. Truman's advice and taking his case to the American people.

Russia Urges New Accord With the IMF On Reforms

Head of Central Bank Says That Tight Money Is Danger to Industry By Michael Dobbs Washington Post Service MOSCOW — The head of the Russian Central Bank, saying he wanted to prevent destruction of the country's industrial base, called Thursday for renegotiation of key provisions of an economic reform plan reached with the International Monetary Fund.

The warning comes only two weeks after the IMF approved its first \$1 billion standby credit to Moscow as a gesture of good faith in the Russian government's determination to move ahead rapidly with free-market policies. In an interview, Mr. Gerashchenko sharply criticized tight monetary policies put into effect by the government, with IMF support, during the first half of this year.



George Bush trying out the microphone Thursday in the Astrodome at Houston before his acceptance speech. The president is trying to regain ground in the polls by following the Democrat Harry S. Truman's advice and taking his case to the American people.

Risk for Allies: Help the Shiites But Divide Iraq

By Caryle Murphy Washington Post Service MANAMA, Bahrain — The U.S.-led move to ban Iraqi aircraft from flying over Shiite areas in the south is a significant shift in Western strategy aimed at undermining President Saddam Hussein.

Germany May Face a Recession, Key Advisers Warn

Reuters BONN — One of the German government's top economic advisers and the leader of one of Chancellor Helmut Kohl's coalition parties warned Thursday that the country could face recession.

Mr. Hax said in a separate radio interview that "the recovery we had hoped for in the second half" would apparently not occur to the extent that had been hoped.

economic growth averaging 3 percent a year between 1992 and 1996 was attainable and that it had been based on optimistic assumptions. The opposition Social Democrats described Mr. Lambsdorff's comments as "a resounding slap in the face for the government."

successful end to the Uruguay Round of GATT trade talks, and stable economic developments in the former Soviet Union and Eastern Europe.

Kiosk Sarajevo Is Pounded

SARAJEVO, Bosnia-Herzegovina (Reuters) — Heavy mortar and grenade attacks rocked the center of Sarajevo late Thursday in the heaviest sustained bombardment in a month, witnesses said.

Immersion, by Computer, In Stock Market 'Reality'

By Mark Potts Washington Post Service It appears to be a landscape made up of blue and red squares, with rolling hills undulating slightly as if rippling in a breeze. The lone inhabitant of this odd, computer-created vista maneuvers among the squares, as if in flight, by caressing a palm-sized ball and pointing at squares with a wand.

actually exist only as computer graphics. In the stock-market version, each colored square represents a stock, its price and activity determining its position and color, each changing as the market changes. The blue squares signify rising stocks, the reds losers.



A mourner paying tribute Thursday with flowers and a flag at the Moscow site where three men died resisting the '91 coup attempt.

Woody Allen, From the Screen to the Dark Corners of the Soul

By Charles Trueheart Washington Post Service WASHINGTON — Americans have grown accustomed to being let in on the sexual secrets of public men and even more fascinated — and indignant. But even by today's depleted standards, Woody Allen is a special case.

really, but still: "It's incestuous even if it's not incest," says Richard Zweigenhaft, psychology professor at Guilford College. It's the oldest taboo — and it involves an intellectual and cultural hero (or anti-hero) to many.

Chaplin, to whose unprepossessing persona Mr. Allen is often compared, offered the same disarming wit and wise naiveté — and unvarnished childishness. (He also, well into middle age, took a very young bride.)

Mr. Allen also has possessed such a fine ear for the dialogue of lovers — quarreling lovers, loving lovers — that his films do more than suspend the audience's disbelief. The narrative of confession has often been mistaken for autobiography, and the mistake has a further consequence. It suggests that this unlikely, awkward fellow actually holds some key to understanding the awful magic of love.

Table with market data: Dow Jones 2.17, Trib Index 0.93%, The Dollar 1.4475, Gold 128.48, Yen 4.9155.

Shield for Shiites As 'First Step' in Plan to Get Saddam

By John Lancaster
Washington Post Service
WASHINGTON — For the moment, the American, British and French coalition partners have not agreed to anything more than a plan to forbid Iraqi military flights in the southern third of the country, by shooting down intruding planes and helicopters if necessary.

NEWS ANALYSIS

The ban to aid the largely Shiite Muslims in the south goes well short of the protection granted to Iraq's Kurdish minority north of the 36th parallel. All Iraqi military activity is, in effect, prohibited there, and the United States has led a vast effort to deliver and distribute food and medicine.

Several American and allied sources said, however, that if Iraq continued to pound the Shiites using ground forces, the allies could take more forceful measures, including air strikes against tanks, troops and artillery positions. "You'll see them ratcheting it up as time goes by," said a well-placed allied official.

Pentagon and allied officials describe the plan as a "first step" in a renewed effort to undermine the Saddam Hussein government, but say they do not expect the Iraqis to resist the move.

Some Arab countries have expressed concern that by siding with the Shiites, the allies could contribute to an ethnic breakup of Iraq and the creation of a new radical Islamic Shiite state.

The administration official said the flying ban would be enforced using AWACS electronic surveillance aircraft based in Saudi Arabia and escorted by U.S. fighter aircraft, including air force F-15 strike planes and navy F-14s and FA-18s.

The official said, however, that the main emphasis would be on "reconnaissance," adding, "I wouldn't say there would be constant stuff in the air."

The official said that Britain has offered to contribute six Tornado fighters and two tankers to a multinational group enforcing the ban.

"There is increasing evidence that he is pursuing genocidal policies in the south," Mr. Scowcroft said. "What we're saying is that we're going to monitor and watch what he's doing there. And in order to do that with reconnaissance, he has to stop flying."

Intelligence reports show that Iraq has about 70 combat aircraft in the south and is using helicopters to hunt Shiite rebels in the region's marshlands. American officials predicted that Iraq would not challenge the flight ban, which they said in and of itself might cripple the campaign against the Shiites.

"The monitoring may in itself cause him to back off," an official said. "For one thing, his ground forces are nothing like what they used to be and, except for the Republican Guard, the morale is pretty terrible. It's not a sure thing these guys could take on the people in the marshes or would even want to without air cover."

King Fahd of Saudi Arabia agreed to the use of air bases in his country to support the flight ban when Secretary of State James A. Baker 3d made the request during his last trip to the region in late July, according to a source familiar with the negotiations.

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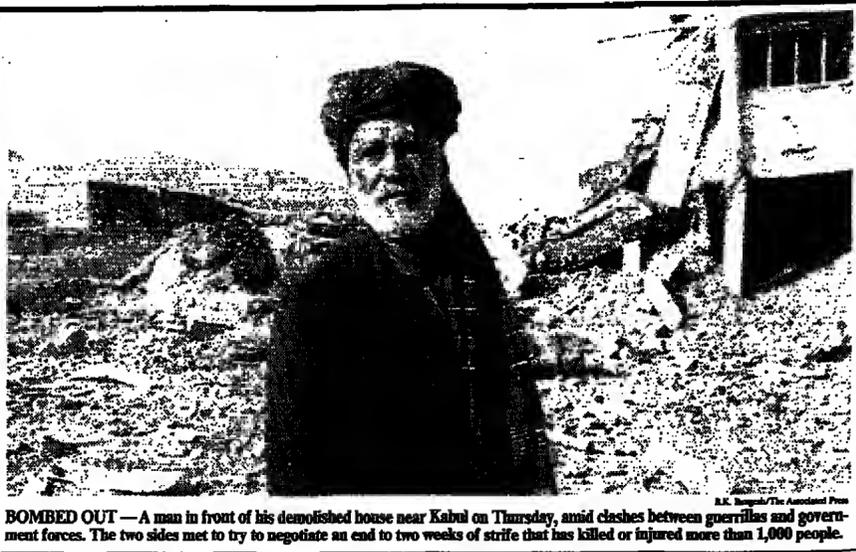
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The official said that Britain has offered to contribute six Tornado fighters and two tankers to a multinational group enforcing the ban.

The Bush administration was reluctant to aid the Shiites during their rebellion in the immediate aftermath of the Gulf War, citing fears of further destabilizing the region.

Mr. Scowcroft said Wednesday that avoiding the breakup of Iraq "has all along been a concern of ours," adding that the administration continued to "believe in the territorial integrity of Iraq."

"What we're trying to do is protect minority groups," Mr. Scowcroft said.



BOMBED OUT — A man in front of his demolished house near Kabul on Thursday, amid clashes between guerrillas and government forces. The two sides met to try to negotiate an end to two weeks of strife that has killed or injured more than 1,000 people.

Iraq to 'Resist' Allied Shield

Saddam Scorns 'Imperialist Design' to Protect the South

Compiled by Our Staff From Dispatches
LONDON — Iraq said Thursday that it would "resist with all means" any plan to impose a ban on Iraqi aircraft flying over its southern territory.

A statement issued after a joint meeting of the Revolution Command Council and the regional leadership of the Arab Ba'ath Socialist Party, presided over by President Saddam Hussein, said the Iraqi people and leadership "would not allow the Zionist-imperialist design to pass" and added that "they would resist it with all means."

The statement was reported by INA, the Iraqi press agency, and monitored by the BBC.

It was the first official reaction to the Gulf War victors' plan to protect Shiite insurgents in the southern marshlands. The statement was issued after Mr. Saddam and his ruling Revolution Command Council met Thursday in Baghdad to review political developments, particularly the "imperialist threats," the agency said.

Earlier, senior officials in London said Britain expected the Western allies to impose a "no-fly zone" over southern Iraq within days.

The officials also denied reports that London was out of step with Washington and Paris over the action against Iraq.

"In a few days," an official from Prime Minister John Major's office said when asked when Britain, France and the United States planned to impose the exclusion zone.

Mr. Major was equally vague when announcing Tuesday that Britain had offered six Tornado aircraft for the effort.

France said Thursday that it was prepared to contribute as many as 10 aircraft to the project.

Mr. Major has warned Iraq that its warplanes will be shot down if they stray into the exclusion zone over the southern Iraqi marshes once the Western allies set it up.

UN Wants Broad Access
Youssef M. Ibrahim of The New York Times reported from Cairo: A United Nations special envoy, Jan Eliason, outlined for Baghdad on Thursday the UN's demands, which include unrestricted access for a large force of inspectors and armed guards for all areas of the country.

The UN is also demanding that several charitable organizations receive visas for staff members to enter and operate in Iraq.

"We have made progress, some progress, but we are not at the stage where we can conclude the negotiations," Mr. Eliason, who is acting as coordinator of relief efforts for the UN as special envoy of Secretary-General Butros Butros Ghali, told reporters in Baghdad on Thursday.

"We are going into another drafting session of the memorandum of understanding on the new agreement that we hope to reach," he said. "But again, I must stress that we have a number of unresolved issues." He spoke with the foreign minister, Mohammed Saeed Sahaf.

It was not clear whether these new UN demands constituted unconditional requests that, if denied, could trigger a military response from the United States and Britain.

Mr. Eliason, who spoke with reporters before a new negotiating session, appeared to press the Iraqis to respond to the demands when he said he was not sure whether the talks could continue next week.

PERILS: Dividing Iraq

(Continued from page 1)
and to exert pressure on the Iraqi leader.

The new strategy comes after more than a year of waiting for Iraq's Sunnis in Baghdad to dislodge Mr. Saddam through a military coup. Most Iraqis, citing the regime's vast security system, have said that this was a futile hope unless there was outside help.

In this context, the zone appears to be the first step toward proffering that help. At a minimum, it will demonstrate an erosion of Mr. Saddam's control over southern Iraq. It may also embolden Shiite rebels to step up attacks against his military in the south, who will be stripped of their air defense.

"It's a big step forward," said an exiled Iraqi dissident. "As an effort to destabilize President Saddam, he said, 'a no-fly zone' is much better than bombing Baghdad."

Regional powers, however, are not likely to be as enthusiastic about this turning point in intervention in Iraq. Other Arabs rebel in Iraq's Shiite political aspirations, fearing that they would be influenced by the fundamentalists of Iran and Turkey, which has many Kurds, some of whom are waging an insurgency, probably would have reservations about a Western policy of protecting a besieged minority.

There are also concerns that fragmentation of the country could cause the Sunni-dominated military to intensify its support of Mr. Saddam, prolonging his power.

Unlike the situation in the Kurdish-populated region of northern Iraq, where a no-fly zone has been in effect for more than a year, Iraqi ground forces will remain in southern areas where flights are to be banned.

As a result, the allies are considering a further, more radical, step: creation of a "safe haven" free of Mr. Saddam's control.

WORLD BRIEFS

De Klerk Will Convene Supporters

PRETORIA (WP) — President Frederik W. de Klerk said Thursday that he would call a conference next month of political groups subscribing to the "same basic, fundamental constitutional principles" as the white government.

Mr. de Klerk angrily accused the African National Congress of "unreasonable excesses" in engineering "three months of stagnation" through strikes and civil disturbances which, he said, had set back negotiating a nonracial and democratic government and had alienated millions of moderate South Africans.

"We cannot sit on our hands while there's a standstill," he said, adding that the government was already holding informal talks with some groups, including the Pan Africanist Congress, which are not part of the ANC alliance, and that Pretoria therefore was not drastically altering its negotiating position.

Shoot Looters, Shevardnadze Orders

TBILISI, Georgia (AP) — The State Council ordered the Georgian Army on Thursday to pull out of Sukhumi, the capital of rebellious Abkhazia, but its soldiers were replaced by Interior Ministry troops with orders to shoot looters on the spot.

Edvard A. Shevardnadze, the Georgian leader, told a meeting of the State Council that the situation in Abkhazia remained "very complicated."

Georgian television reported intense fighting near Sukhumi, with Abkhazians resisting Georgians in the village of Eshera, north of Sukhumi. The report said looting had assumed "unheard-of proportions."

50 Killed in Kyrgyzstan Quake

MOSCOW (Reuters) — About 50 people have been killed in an earthquake near Kyrgyzstan's border with China, and rescue workers have not yet reached the hardest-hit part of the region, Itar-Tass news agency said Thursday.

It said the area was rocked by 186 tremors, ranging up to 10 on the Richter scale. The region is in a mountain range dotted with isolated farming communities. Several settlements had been destroyed by rock-falls, officials reported.

Roads and telephone lines were destroyed, making it impossible to fully assess casualties and damage. President Askar Akayev flew to the area with a relief mission.

King Hussein Has Kidney Removed

ROCHESTER, Minnesota (Reuters) — Doctors at the Mayo Clinic on Thursday removed the left kidney of King Hussein of Jordan and cleared a blockage of his urinary tract, a hospital spokesman said. Tests were subsequently conducted on tissue removed from his ureter, the tube that carries urine from the kidney to the bladder. The nature and results of the tests were undisclosed.

Doctors identified the urinary tract problem last week in Jordan, and King Hussein, 57, arrived here Monday night for two days of pre-operative testing. He was expected to remain for seven to 10 days, recuperating and undergoing more tests.

The clinic said the king was resting comfortably, and that it would "closely monitor his progress to determine if any additional follow-up treatment is required."

Ruling Party Defeated in Bahamas

NASSAU, Bahamas (UPI) — Voters here ousted the party of the prime minister, Sir Lynden Pindling, in parliamentary elections, ending a 25-year rule that began before the island chain won independence from Britain, officials said Thursday.

Hubert Ingraham, a longtime protégé of the prime minister, led the Opposition Free National Movement to a stunning victory over the Progressive Liberal Party.

Unofficial results from the Wednesday election showed Mr. Ingraham's Free National Movement had captured 32 seats, compared with 17 for the Progressive Liberals, a cabinet spokesman said Thursday. State television announced that the prime minister had conceded defeat.

Seoul Denies Report That It Will Recognize China

By T. R. Reid
Washington Post Service

TOKYO — The South Korean Foreign Ministry denied reports Thursday that Seoul and Beijing were about to establish full diplomatic relations.

The Chinese government did not comment on the reports.

China and South Korea have been political adversaries since the end of World War II. And bitter feelings still linger from the Korean War, when the Chinese Army fought against the South on behalf of

North Korea. But trade relations have been growing in recent years.

Diplomatic relations between Seoul and Beijing would further isolate the North Korean government in Pyongyang, which counts South Korea as its worst enemy and China as its best friend.

The North Koreans were stunned two years ago when the Soviet Union normalized relations with the former South Korea, another patron of Pyongyang.

In recognizing the Beijing regime as the government of China, South Korea would presumably have to break its relations with Taiwan.

Reports of a Seoul-Beijing normalization first appeared in Taiwan, where members of parliament reportedly told the press that the Taiwanese government had received notification from South Korea of the step.

Similar reports appeared in Tokyo and Seoul, all citing unnamed "official sources."

But South Korea's Foreign Ministry issued a statement saying the reports were "contrary to the facts."

The ministry also denied news reports that South Korea's foreign minister would go to Beijing next week to work out the details of normalization.

John Chang, deputy foreign minister of Taiwan, said, "It is incredible that South Korea would have denied that it had reached a draft agreement with the Chinese Communists to recognize Beijing."

Mr. Chang, who spoke with reporters before a new negotiating session, appeared to press the Iraqis to respond to the demands when he said he was not sure whether the talks could continue next week.

There are indications of serious planning for such a haven. But Western governments are likely to await the outcome of talks this week in Baghdad between senior UN officials and the government on a new agreement permitting UN guards and relief workers freer access to the Shiite Muslim population in the south. If such access is allowed, a safe haven may become moot for the time being, UN officials have said.

But if such an enclave is created — and it is still not clear how that would be done — it is likely to bolster both internal and exiled opponents of Mr. Saddam, perhaps galvanizing them into more unity, but surely coaxing them to use the protected area as a base for political organizing free of Mr. Saddam's security police, much as the Kurds have done in their safe haven.

Iraqi opposition figures say they believe such a safe haven would also attract a wave of deserters from Mr. Saddam's army, whose rank-and-file are mainly Shiites.

It is for these reasons that some exiled Iraqis urged the creation of a protected enclave in the south when they met with Secretary of State James A. Baker 3d in Washington last month.

But establishing a safe haven in the Shiite south is also fraught with dangers stemming from the loosening of Mr. Saddam's control in the region, Arab and Western analysts said.

In the north, well-known and long-established Kurdish figures provide leadership, but there is no group or leader among Iraq's Shiites. In a political vacuum, there is potential for conflict among various Shiite opposition groups, which include both secularists and Islamists.

In addition, who would maintain law and order in such a protected enclave? And if there were army deserters to the zone, who would disarm them — or organize them into an opposition fighting force?

And in the likely event that Mr. Saddam cuts off food and medicine to the haven, who would provide these necessities and how? One plan under consideration is for the safety zone to absorb the UN-patrolled demilitarized zone straddling Iraq-Kuwait border, thus providing outside access through which relief aid could be funneled.

IMF: Russian Assails Money Policy

(Continued from page 1)

personal attacks on Mr. Gaidar and other members of the government, he made biting comments about several aspects of the IMF-approved plan to steer Russia toward a market economy.

He said that some moves by the government — such as the declaration that the ruble would be made freely convertible from July 1 — reminded him of a fairy tale by Hans Christian Andersen.

"You proclaim a goal and then you create the impression that it has been achieved, just because it has been announced," he said. "Then we find out that the king is naked."

Mr. Geraschenko said that the proposed credit ceiling of 700 billion rubles appeared to have been calculated on the basis of a desire to achieve a single-digit monthly inflation rate rather than any realistic analysis of the needs of the Russian economy.

"They worked out the formula on the basis of the answer they wanted to achieve," he said.

The Central Bank chairman noted that the government had itself approved several measures, such as offering farmers higher procurement prices for grain, that would undermine its ability to achieve the targets set by the IMF.

In a speech Wednesday night, on the first anniversary of the failed hard-line coup, Mr. Yeltsin announced big wage increases for many public employees.

"This will definitely increase budgetary expenditures and probably create an additional banknote crisis similar to the one that we are already trying to solve," Mr. Geraschenko said.

"We knew they were discussing this, but for the governor of the Central Bank to hear such things from television, I don't think is right."

In public, government ministers still insist that they are committed to fulfilling the targets outlined in a letter of intent to the IMF at the beginning of July, including a promise to halve the budget deficit to 5 percent of gross national product by the end of the year.

In private, however, many officials concede that these targets are unrealistic.

TRAVEL UPDATE

Five London railroad stations were closed by police on Thursday after a coded bomb warning, causing chaos for commuters in the evening rush-hour. Stations affected were King's Cross, Charing Cross, Victoria, St. Pancras and London Bridge. The Underground system was also hit.

Solway lines passing through the stations were shut. London's transport system has in the past been a target of Irish guerrillas opposed to British rule in Northern Ireland.

Airline passengers in and out of Anchorage International Airport on Thursday as most of the Alaskan city lingered under a blanket of gritty ash from Mount Spurr, a volcano 80 miles away. "Some flights are leaving but there is a very limited schedule," said Patricia Eckert, an airport spokesman. "We have long lines at the ticket lobby."

A tropical storm with winds of 50 miles an hour (80 kilometers an hour) skirted the Virgin Islands and was churning west northwest with no signs of weakening, the National Hurricane Center said.

Tons of raw sewage has spilled into the water off the Israeli Red Sea resort of Eilat and damaged a coral reef and maritime nature reserve, officials said on Thursday. Divers and bathers were called out of the normally clear waters and notices posted closing the beach.

Archaeologists have found a Roman house complete with a collection of dinner plates and wine jugs under the Leaning Tower of Pisa. The house, which was discovered less than a meter underground, was dated to the third or fourth century.

Three airlines start direct air service next month between Taipei and Ho Chi Minh City, a commercial route suspended since the end of the Vietnam War, Taiwan officials said.

The Weather



Forecast for Saturday through Monday

Region	Today	Tomorrow	Day After
North America	Partly cloudy	Partly cloudy	Partly cloudy
Europe	Partly cloudy	Partly cloudy	Partly cloudy
Asia	Partly cloudy	Partly cloudy	Partly cloudy
Africa	Partly cloudy	Partly cloudy	Partly cloudy

Region	Today	Tomorrow	Day After
Algeria	28.94	21.70	23.82
Amman	28.94	21.70	23.82
Antananarivo	28.94	21.70	23.82
Armed	28.94	21.70	23.82
Asmara	28.94	21.70	23.82
Bangkok	28.94	21.70	23.82
Beijing	28.94	21.70	23.82
Bombay	28.94	21.70	23.82
Buenos Aires	28.94	21.70	23.82
Calcutta	28.94	21.70	23.82
Cairo	28.94	21.70	23.82
Chengde	28.94	21.70	23.82
Colombo	28.94	21.70	23.82
Dakar	28.94	21.70	23.82
Dhaka	28.94	21.70	23.82
Hankow	28.94	21.70	23.82
Hong Kong	28.94	21.70	23.82
London	28.94	21.70	23.82
Los Angeles	28.94	21.70	23.82
Manila	28.94	21.70	23.82
Medan	28.94	21.70	23.82
Mumbai	28.94	21.70	23.82
Nairobi	28.94	21.70	23.82
Paris	28.94	21.70	23.82
Perth	28.94	21.70	23.82
Port of Spain	28.94	21.70	23.82
Rangoon	28.94	21.70	23.82
San Francisco	28.94	21.70	23.82
Singapore	28.94	21.70	23.82
Sourabaya	28.94	21.70	23.82
Taipei	28.94	21.70	23.82
Tientsin	28.94	21.70	23.82
Yokohama	28.94	21.70	23.82

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A New World for Bush

The single most important event in George Bush's erratic re-election campaign...

Of all the questions about Mr. Bush, one dominates: What is he for? At the last convention it was enough, after eight harsh years of Ronald Reagan, to promise "a kinder, gentler nation," to speak of "an endless, enduring dream and a thousand points of light."

This week Mr. Bush's task is far more daunting: to convince the electorate that he has a clear idea of how to cure America's domestic ills...

The same dedication, he said, had produced other stunning successes: assembling an "unprecedented" coalition, including the Russians, to confront Saddam Hussein of Iraq...

the Israelis to reason together. For all these achievements and more, Mr. Bush is surely entitled to credit. But Americans are also entitled to ask: What's next? And what about us? For they are mystified, and rightly so, about how a president so confident and assured in dealing with great international questions can seem so diffident, bewildered and cautious on home ground.

Here again, one can find a coherent message in Mr. Baker's text. Having taken huge strides toward a new world order, he suggested, George Bush had at least earned the right to address America's new world.

"America must appropriate new approaches for the changes at home," the secretary said, "just as we have launched policies to manage the change abroad."

Mr. Baker spoke of fundamental needs like economic security, education and job training, and, in language like Bill Clinton's, of America's historic openness "to trade, to investment, to ideas and to people."

—THE NEW YORK TIMES.

Cut Off the Khmer Rouge

The stakes in Cambodia could scarcely be higher. The United Nations' most ambitious peace-building effort ever is challenged by a resurgent Pol Pot, still in command of the genocidal Khmer Rouge.

Fortunately, there is a practical solution. The international community has a chance to cut off the Khmer Rouge from its main sources of guns and money in Thailand.

Thailand and Vietnam have been the twin nexuses of Cambodian history, nibbling at Cambodian sovereignty and territory at every opportunity. Now that Vietnam has been driven back, the main danger comes from the Thai side, where border commanders sponsor a mutually profitable commerce with the Khmer Rouge.

The main Khmer Rouge zone lies in western Cambodia. Its eastern border is patrolled by the United Nations but a western back door is kept open by Thai commanders, allowing both sides to profit from a booming trade in guns, lumber and antiques.

Gloom in Computer Land

American automobile companies lost a lot of money and a lot of customers in the 1970s and '80s because they were slow to react to their changing market.

It is a melancholy moment for a company that was a phenomenal success until a decade ago and has made important contributions to office automation. Some of its troubles were undoubtedly internal. Its gifted founder, an Wang, tried to keep running the company himself, even after it had become a very big business.

When John F. Akers, the chairman of IBM, reported its tremendous losses last spring, he called 1991 "the most difficult year in the history of the computer industry."

recession is responsible for some of these setbacks, there are deeper causes at work.

All of these companies rode into the booming 1980s with highly successful products that had one thing in common—they were vulnerable to competition from the powerful personal computers that were beginning to appear. None of the biggest companies saw the danger in time to avoid damage. Most computer companies in the past have tried to defend their markets by developing proprietary technology that made their machines special.

Wang has said it will save itself by diversifying its manufacturing operations and turning to software and system design as its main business. In less than a decade the industry has turned through a cycle of technology that has not only changed computers and the ways people use them, but is now changing profoundly the structure of the industry that produces them.

—THE WASHINGTON POST.

Other Comment

Bush's Paramount Problem

President George Bush has a difficult task at the Republican National Convention in Houston. The job is to lay out some vision for improving the U.S. economy. Not that it is the only problem facing the nation today, but it is the paramount one.

For instance, current and would-be first ladies who have strong social views must expect to have to defend those views. But surely a close textual analysis of what Hillary Clinton wrote in a 1977 legal-journal article, raised to the level of major campaign bromides, isn't going to help America figure out how to end the recession and get

this economy popping again. Nor is dissecting the recent interviews and speeches of Barbara Bush going to shed any light on the economic issues facing the nation.

So much depends on the American economy getting back on track. Jobs. Government revenues at the federal, state and local levels. Social services for the poor and handicapped. U.S. international competitiveness. If the economy can't be gotten right, very little else is going to be gotten right. Perhaps it is too much to ask of a political convention that concentrates on the real issues, rather than conduct stinging partisan business as usual. But if ever there was a time for just such a sense of heightened responsibility, this is it.

—Los Angeles Times.

INTERNATIONAL HERALD TRIBUNE

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Divisions de la Publication: Richard D. Stoumen, Chairman from 1958 to 1982; John Hay Whitney, Editor for Associated Press, 5 Canary Wharf, Singapore 0511. Tel: 473-7768. Telex: R356228. Mng. Dir. Asia, Rolf D. Richardson, 30 Gloucester Rd., Hong Kong, Tel: 8610616. Telex: 61170. Mng. Dir. U.K., Garry Thorne, 63 Lang Ave., London WC2. Tel: 836-8802. Telex: 262009. Gen. Mgr. Germany, W. Lauterbach, Friedrichstr. 15, 10000 Frankfurt/M. Tel: (069) 726733. Telex: 416721. U.S.: Michael Connor, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3800. Telex: 431773. S.A. as capital of 1,200,000 F. RCS Nanterre B 732031226. Commission Paritaire No. 63157. © 1992, International Herald Tribune. All rights reserved. ISSN: 0294-8052.



Cold War: The Victory Credits Should Be Shared

By Leslie H. Golb

NEW YORK — Claims by the Republicans this week that they won the Cold War prompt me to reveal an off-the-record conversation I had with the chief of the Soviet General Staff in 1983, Marshal Nikolai Ogarkov told me at that time...

I had known the bearded marshal for years, when I was a government official and a correspondent. He was always brilliant, plainspoken and hard-line. We talked on a wintry March afternoon, just days after President Reagan's speech aptly described the Soviet Union as "an evil empire."

I began that afternoon by attacking Moscow for amassing forces that far exceeded defensive needs. He waved me off with a tolerant smile. Then he proceeded to make the most astonishing argument I had ever heard from a Soviet official.

Numbers of troops and weapons mean little, he said. We cannot equal

the quality of U.S. arms for a generation or two. Modern military power is based on technology, and technology is based on computers.

In the United States, he continued, small children — even before they begin school — play with computers. Computers are everywhere in America. Here, we don't even have computers in every office of the Defense Ministry. And for reasons you know well, we cannot make computers widely available in our society.

Their use came his potent punch line. We will never be able to catch up with you in modern arms until we have an economic revolution. And the question is whether we can have an economic revolution without a political revolution.

In so many words, Marshal Ogarkov was acknowledging that the Communist system was out working and could not work. He was saying, in effect, that the Soviet Union without radical change was incapable of competing with the United States.

Less than a year after our conversation, the "authorities" mysteriously removed Marshal Ogarkov from his high office — without explanation.

Several years later, his volcanic logic was to be resurrected publicly by Mikhail Gorbachev as he launched perestroika and glasnost.

Honest historians and politicians will honestly contend over exactly who won the Cold War and how. But the following propositions seem to me to be roughly true:

• The Soviets lost the Cold War because of the rot of the Communist system far more than America won it by containing Soviet power.

• Containment was an essential ingredient, and Democrats created that policy and promoted it as fervently as Republicans. After the Vietnam War, however, Democrats emphasized diplomatic and economic means over military power, and Republicans stressed the reverse. True, many liberal Democrats have lately believed that Moscow could be moved into good behavior. As true, many conservative Republicans exaggerated Soviet might and espoused confrontations that could have provoked war.

• In combating Soviet thrusts abroad, Democrats approved aid to the Afghan mujahidin fighting Soviet troops as solidly as Republicans

did. Many Democrats hesitated about aid to Angolan rebels because they seemed as bad as their Communist opponents. Republicans demanded arms for the Nicaraguan contras, but most Democrats resisted aid without serious negotiating efforts, a position President George Bush ultimately adopted.

• The Reagan military buildup, backed by a minority of Democrats, certainly added to Soviet economic woes and probably speeded up communism's demise. Most Democrats, however, felt and feel that whatever was gained by this course was far outweighed by costs to the American economy and domestic priorities.

The shameful distortion of this record by Republicans in Houston can be partially pardoned as politics. Unpardonable is their continuing blindness to the principal lesson of the Cold War: The Soviet empire collapsed abroad because it had failed at home.

Thus Republicans in Houston still seem more interested in praising themselves indulgently for slaying an already dying Red Dragon than in preparing to restore an America they virtually ignored for 12 years.

The New York Times.

Consensus on Foreign Policy Is Needed Again Now

By William E. Odom

WASHINGTON — Who won the Cold War? Who were its heroes and its slacks? Who were its confusers you if the presidential election debate turns to foreign policy this fall. Worse yet, they will thwart effective U.S. leadership in stopping the present international drift toward chaos and disorder.

The Republicans have been scripting their version of the story since the day Mikhail Gorbachev decided to call off the Cold War. They insist that the man who called the Soviet Union an "evil empire" brought its end single-handed.

As in a western movie, the gunslinging sheriff tracked down the gunslinging cattle rustler, winged him with a bullet in his pistol hand and brought him back to the county jail. The sheriff had to go alone because the Democratic slackers would not join a posse. A new version has his deputy sheriff, George Bush, holding his horse during the shoot-out.

Democrats offer alternative half-truths. Some were horrified at the "evil empire" speech, although they surely did not believe it was a "virtu-

ous empire." They argued that the collapse of the Soviet Union was wholly due to internal factors, sometimes even adding that U.S. military policy prevented its earlier demise. Thus Ronald Reagan was no hero because the cattle rustler didn't even have a gun and would have surrendered voluntarily.

The true story does not make good campaign rhetoric. The American decision to meet the Soviet challenge after World War II rested on bipartisanship. Without it, the United States more likely would have retraced the path it took after World War I, a bitter partisanship leading to isolationism and another world war.

President Harry Truman took the formal decisions, but he counted heavily on Republican Senator Arthur Vandenberg. Even through the troubled time of the Vietnam War, a few serious-minded leaders in both parties kept constant the basic thrust of U.S. military strategy directed toward the Soviet Union.

The Republicans presided over the

largest reduction in defense spending in the postwar period — 38 percent between 1968 and 1976. The much abused Jimmy Carter began the defense buildup that President Reagan was to claim entirely as his own. The B-2 bomber, the intermediate-range missiles for Europe, a rapid deployment force (without which the Desert Storm operation would have been impossible) and several other crucial projects were all initiated by President Carter. He also made the first effort to seek deep cuts in strategic arms instead of the codification of planned buildups in the first SALT treaty.

Mr. Carter's human rights policy, launched in his letter to the Soviet dissident Andrei Sakharov, sounded the same theme as Mr. Reagan's evil empire speech. The effort to bring about democratic transitions in Central America began with Mr. Carter. After criticizing it, Mr. Reagan continued the policy. In sum, the record shows more continuity than change.

Through the 1980s, what has been particularly troubling about some

Democrats is their view that U.S. military power figured little in the fading of communism. Many Russians, including generals, assert the contrary. By inveigling them into the military competition, they complain, particularly a "qualitative" arms race and a war in Afghanistan, the United States drove them into economic crisis. Those who wholly discount this Russian version apparently see no need for military power to enforce a New World Order.

Fortunately, other Democrats, particularly leading figures on the armed services and intelligence committees of Congress, understand that military power does count, that the results of diplomacy are directly related to the military power that backs it.

But just as an allergy to military power will not allow a president to lead in building a New World Order, neither will an affinity for military power alone. President Bush conceived the phrase, but has failed to give it substance.

The post-Cold War challenge demands at least a modicum of bipartisanship. Half-truths about who won the Cold War will not forge the necessary consensus to use American influence to promote democracy and free markets around the world. Bill Clinton made a first step with his position on Yugoslavia. Equally encouraging, he has not reflected an antipathy toward military power characteristic of some members of his party. Let us hope that he can convert them. And if he wins, let us hope that the Republicans do not reject his bid for a new foreign policy consensus.

Meantime, take with a grain of salt any stories you hear this fall about who were the heroes in the Cold War.

The writer was a national security aide in the Carter White House and chief of the National Security Agency during the Reagan administration, from 1983 to 1988. He contributed this column to The Washington Post.

A Leftover Task for Japan and Russia

By Masamichi Hanabusa

The writer is spokesman for the Japanese Ministry of Foreign Affairs.

TOKYO — What Japan refers to as the Northern Territories — Etorofu, Kunashiri, Shikotan, and the Habomais — are inherent Japanese territory long developed and governed by Japanese. When Democrats offer alternative half-truths. Some were horrified at the "evil empire" speech, although they surely did not believe it was a "virtu-

ous empire." They argued that the collapse of the Soviet Union was wholly due to internal factors, sometimes even adding that U.S. military policy prevented its earlier demise. Thus Ronald Reagan was no hero because the cattle rustler didn't even have a gun and would have surrendered voluntarily.

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This territorial issue is a very basic one affecting vital national interests, and Japan was firm throughout the negotiations in insisting upon the return of all four islands.

Mr. Clark mentions the possibility of the issue now being referred to the International Court of Justice, and suggests that the Japanese Ministry of Foreign Affairs has been avoiding such a move. Japan has generally accepted the compulsory jurisdiction of the court, but Russia or the former Soviet Union has not. When at one point Japan suggested that the issue be referred to the court, the Soviet government rejected it.

What is important today is that the legal and historical aspects of the issue have been thrashed out in detail by the two sides in the Peace Treaty Working Group for the last five years and that Japan and Russia increasingly share the willingness to resolve the issue through the conclusion of the peace treaty.

There is emerging a common recognition between the two sides on the following key points: that these islands had always been recognized as Japanese territory and had never been governed by any other country than Japan up until the end of World War II; that the situation arising from the sudden and illegal occupation of these islands by the Soviet forces after the cease-fire upon Japan's acceptance of the Potsdam Proclamation has continued to this day; and that the postwar national boundaries between Japan and Russia remain "undecided."

A political decision on the part of Russia is awaited for the resolution of the issue. To seek a court judgment would be tantamount to further postponing its resolution.

International Herald Tribune.

They Used Not to Be So Cynical

By William Pfaff

PARIS — The idea that George Bush would attack Iraq to advance his electoral interests is not in the least implausible. It would have been an implausible act by most earlier American presidents. Mr. Bush, however, has established for himself a record of cynicism in electoral matters, and also in foreign relations, that the country, if not himself, would have been better off without.

His two wars have both been peculiar affairs. A primary motivation for the U.S. attacks on Panama and Iraq seemed personal animosity felt by Mr. Bush for Manuel Noriega and Saddam Hussein. The centralization of war power in the presidential office, the marginalization or neutralization of Congress, and the obstruction of press scrutiny all have taken great bounds forward under the Reagan and Bush presidencies, contributing to a situation in which a president is held to no effective account for decisions of this kind.

However, if another attack is to take place on Iraq, Saddam Hussein, has not been so foolish as to cooperate in providing the justification this week — by obstructing United Nations inspections. His persecution of the Shiite minority in Iraq's south already has warranted international measures to create and defend a protection zone for them like the one already established for the Kurds in the north of Iraq. Hence it is reasonable to expect a military intervention of one kind or the other, certainly, before November.

If only Washington and its allies could find the same zeal to protect, not only the Bosnians in what was Yugoslavia, but also the ex-Yugoslavs who must expect to become the next victims of Serbian ethnic purges, not only but not exclusively the Albanians of Kosovo and the Hungarians of Vojvodina, both regions inside the present frontiers of Serbia. But Mr. Bush sees no electoral profit in presence or political initiative in the Balkans, to avert still more horror.

And in Europe, since Margaret Thatcher left Downing Street, Britain has reverted to its previous foreign policy position, which is to have no independent foreign policy at all, but to follow Washington in whatever it does. Current holder of the European Community presidency, Britain is successfully imposing the same non-policy upon Europe. Only France is offering slight but ineffectual resistance to this program of inaction — thus having things both ways.

Mr. Bush's reputation as a sound man on foreign policy has always seemed to me unfounded. He is expert in foreign relations, having spent his executive branch career exclusively in offices concerned with international matters. He obviously knows other countries and the major figures abroad. But expertise and experience do not necessarily produce leadership, and the evidence is that Mr. Bush has over the years moved steadily upward toward an office for which he is intellectually and morally unqualified — lacking, as he has plaintively said, the "vision" in world affairs expected from a president.

The two recent presidents who conducted successful foreign policies (whether you like it or not what they did) were Harry Truman and Richard Nixon. Mr. Truman was, unlike Mr. Bush, a lifelong reader of history and also a man of formidable moral independence. He would never have remotely imagined advancing his personal electoral interests in disregard of the national interest. His curt dismissal for insubordination of the supremely popular General Douglas MacArthur in 1951 was evidence of that.

Mr. Nixon also possessed a serious geopolitical intelligence, a sense of purpose and a modicum of bipartisanship. Half-truths about who won the Cold War will not forge the necessary consensus to use American influence to promote democracy and free markets around the world. Bill Clinton made a first step with his position on Yugoslavia. Equally encouraging, he has not reflected an antipathy toward military power characteristic of some members of his party. Let us hope that he can convert them. And if he wins, let us hope that the Republicans do not reject his bid for a new foreign policy consensus.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Choice for Caprivi

PARIS — Emperor William's public repudiation of the proposal to reduce the term of military service from three to two years places before the Chancellor, Count von Caprivi, the alternative of resigning or eating his words. Though the opinion is generally expressed in Germany that the Count's days as Imperial Chancellor are numbered, he has not yet sent in his resignation, and the probability is that he will prefer to eat his words. This will not be a new experience. At a hint from his Sovereign, he changed his opinions upon education law.

1917: Thank the Pope

PARIS — The Herald says in an editorial: Why criticize the Pope? The Allies ought to burn a candle for him. He has given them an opportunity to show how united they are, and has revealed the enemy's demoralization to them. They, realizing that peace is impossible until German militarism

shall have been shattered, refuse even to discuss the proposal. The Germans, on the contrary, while protesting, are so broken in spirit that they are trembling with eagerness to open the discussion.

1942: Battle of Dieppe

WITH THE CANADIAN RAIDING FORCE RETURNING FROM DIEPPE — [From our New York edition:] *Ross Murray reports:* For eight hours under intense Nazi fire, the Canadian troops fought the blazing battle of Dieppe. I saw them go through this biggest of the war's raiding operations in wild scenes that crowded helmet-slacker one upon another in crazy sequence. There was the furious attack by German boats while the Canadians moved in on Dieppe's beaches, landing by the dawn's light. I spent the grimiest 20 minutes of my life with one unit when a rain of German machine-gun fire wounded half the men in our boat. Only a miracle saved us from annihilation.

Handwritten note: 150

OPINION

Three Middles for Candidate Bush to Aim At

By William Safire

HOUSTON — Extricating himself delicately from the fervent embrace of party activists who never liked him, and professing never to have read their hard-right platform, George Bush will seek re-election by going after a Chinese puncher would call "the three middles": the middle class, the Middle West, and the middle of the political spectrum.

economic action — no new tax cut or laundry list, but a much stronger hold-the-line on spending. In that redefining speech, he is likely to acknowledge economic error not so much for caving in to a tax increase but in not moving aggressively to curb spending and stop the explosion of the deficit. He could then more credibly ask the hard-right middle class for another chance — not for "four more years" of dithering and dithering, but in Bill Bennett's apt phrase, "four different years."

but Mr. Bush, who would like to do his own global bold-stroking, has demonstrated that he needs a skilled deputy president to handle all the boring domestic stuff. Until this indecision at the top is resolved, the campaign will have a hole at the center. The second "middle" is geographic. Although he can never admit it, the president knows that the Far West and the Northeast are gone; to win, he must secure the Republican lock on Southern and Rocky Mountain states, while going for broke to win crucial Illinois, Ohio and Pennsylvania.

contesting begins when he hits Chicago. If he is dry-gulched in his Southern base, of course, the president has little hope. We have all forgotten Ross Perot, but that vengeful figure is still on the ballot in Texas. If he wants to play the spoiler, the brooding memoirist could campaign in October as a protest candidate; I am told by a former Democratic and Republican politician (John Connally says howdy) that Perot protest could attract up to 15 percent of the vote here, delivering Texas and the election to Clinton.

Both Candidates Have Explaining to Do

By David S. Broder

HOUSTON — If this convention has demonstrated anything, it is the enormous difficulty of the political challenge facing the Republicans this year. Luckily for the country, they are stepping up to the task.

past preoccupation with foreign affairs — has a "domestic reform" agenda that addresses all of the problems that dominate family dinner-table discussions.

in Washington, not just picking a president. With reticent and primary defeats at record levels, change in Congress is assured. The direction of that change is as important as the outcome of the presidential election.

To gauge the difficulty facing George Bush when he leaves here, ponder one simple fact. California, with one-fifth of the electoral votes needed for victory, has been in the Republican column in every presidential race since 1964. But two private Republican polls taken this month showed Mr. Bush more than 20 points behind Bill Clinton. Even worse, the polls showed only 8 to 12 percent of Californians saying they think things are "on the right track" in the state and nation.

Third, that the more voters change the Congress this November, the faster they can expect action on this agenda. All of these propositions are debatable. The healthy thing for the country is that they will be debated.

All three of these arguments raise fundamental issues: the size and scope of the federal government; the agenda for domestic change; the resolution of gridlock in Washington. Democrats would prefer to fudge all this into a call for change. Republicans have shown signs here that they won't let them get away with it. And that is very much to the country's benefit.

Other key states are almost as pessimistic about the trend of affairs. In that kind of setting, it is no harder for Mr. Clinton and the Democrats to make the case for a change of leadership than it is for a baseball owner to fire the manager when the team is on a losing streak.

As for Mr. Bush's "domestic reform" agenda, it, too, will benefit from more public exposure and debate. Several of his cabinet members have advanced useful ideas for changing housing, health care, energy and especially education policies. If Mr. Bush makes these proposals the centerpiece of his re-election campaign, he is less likely to abandon them in a second term.

national legal norms. Justice and liberty, to say nothing of a state's right to territorial integrity, are the most fundamental moral precepts codified as rules of international law — most notably in the UN Declaration of Human Rights and Article 2 of the United Nations Charter. Mr. Zarkaria's underlying position is that one cannot credibly espouse the legal norms arising from these fundamental moral precepts unless one believes in universal enforcement.

Those concerns have not changed in the past two recession years. Rather, they have grown deeper: jobs, schools, health care, crime, drugs — the security issues of the home and neighborhood, not the wider world. To deal with those fears, Republicans have had to make a fairly complex argument. It has three key pieces.

Finally, the debate about Congress's role in all this is critically important. By forcefully raising the issue of control of Congress, Mr. Bush and his allies have refocused voters' attention on the fact that they are constructing a government

beyond the capability of the international legal system and the international community. But the uneven history of enforcement of norms against unilateral military aggression and against human rights violations does not mean that these norms do not exist. Nor is it hypocritical to support such norms while calling for effective enforcement only where militarily practical.

First, that Mr. Clinton's "New Covenant" is simply a repackaging of old and unsuccessful Democratic nostrums. Second, that Mr. Bush — despite his

But the "New Covenant" also embraces the promise of less bureaucratic government. That would change the relationship between the Democrats and such key constituencies as government employees, teachers and private sector unions. The more Mr. Clinton is forced to define the "Covenant," the stronger his mandate to use his presidency to challenge those interest groups.

Universal enforcement is, however, beyond the capability of the international legal system and the international community. But the uneven history of enforcement of norms against unilateral military aggression and against human rights violations does not mean that these norms do not exist. Nor is it hypocritical to support such norms while calling for effective enforcement only where militarily practical.

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Standing In for Orwell at the Café

By Shaahi Tharoor

WASHINGTON — Visitors to any of Spain's festivities this year — the recent Barcelona Olympics, the Seville Expo, the numerous coastal commemorations of the Columbus quincentenary — should consider making a detour for a different sort of celebration. They could go to an unpretentious city in Aragon and offer a toast to freedom.

My wife scanned the store fronts as I turned into unfamiliar streets. Twice I nearly stopped the car, but her sense of occasion was not satisfied. "No, not here," she said. "It's not quite right." I drove on.

MEANWHILE

newly emerged into democracy after four decades of Franco's fascism. But Huesca was not tourist spot. It was an obscure stop on the way to nowhere. To get there, we would have to risk country roads of unpredictable quality. And then our homeward ascent through the Pyrenees, we were warned, would be unnecessarily arduous. "Forget it," our friends said.

It was springtime, as it had been decades earlier, in 1937, when Huesca had acquired its brief spasm of importance as a military stronghold of Franco's army in the Spanish Civil War. The ragtag Republican forces, resisting him in their forlorn fight against fascism, had encircled the town. Their ranks included a motley collection of international volunteers — idealists and opportunists, anarchists, Communists and passionate democrats. Among them was a gaunt, consumptive English writer who called himself George Orwell.

How to play the slightly-eight-of-centrist, self he is most comfortable with, without infuriating the hard-right hard core? Two ways: His aides and religio-cultural warriors will work on the character issue; this will not trouble the presidential conscience, as Hillary Clinton was the first to publicly accuse rumors about Mr. Bush's fidelity. That will free the president to take a higher road, drawing the real difference between the parties on health care, jobs versus smoke, and free trade. He plans to take the center not so much by moving there but by pushing the perception of the Democrats to the far left. That is the three-middle plan. No big secret. With a foreign-crisis boost, it might work.

Orwell took heart from the prospect "tomorrow we'll have coffee in Huesca" — it was the kind of false promise that sustains morale in every war, like "We'll be home for Christmas." The siege of Huesca dragged on and the slogan's optimism rang increasingly hollow. Attrition took its toll on lives, strategic objectives, hope. Huesca, impregnable in fascist hands, seemed to represent the futility of the cause of freedom.

Orwell, destined to become one of the world's great voices of freedom, was wounded in action on the outskirts of Huesca. He left for home on a stretcher, bitter in his disappointment. "If I ever go back to Spain," he wrote in his searing "Homage to Catalonia," "I shall make a point of having a cup of coffee in Huesca." But Huesca did not fall. Franco and fascism triumphed in Spain, and Orwell never saw Huesca again.

"Here," my wife said abruptly. "This is it. Stop the car."

We were at a modest little café, as unremarkable as the ones she had earlier rejected. But across the road, its sign bright in the sun, stood an imposing building. For 40 years under the Franco regime, the long arm of the law had ended in a clenched fist — that of the dreaded Guardia Civil. Mimi had stopped me in front of its local headquarters.

"What will you have?" the waiter asked us. "Lunch?" I looked over his shoulder, across the road, at two civil guards in the uniform of their newly restored democracy. They stood at attention, rifles in hand, guarding the gates of their establishment.

"No thanks," I replied at last. "All we need is a cup of coffee."

The writer is author of the "The Great Indian Novel" and most recently of "Show Business," to be published in the fall. He contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Intervention in Bosnia: Legal Norms, Lives at Risk

Forced Zakaria ("Yugoslavia Is Europe's Business," Opinion, Aug. 10) argues that U.S. military intervention in Bosnia, in addition to being politically and tactically unsound, would be morally repulsive and even hypocritical.

In light of the damning case against Serbia, the moral imperative for intervention in the Balkans is clear — as it is for interventions in other combustible regions. The difference, in the case of Serbian aggression, is that the North Atlantic Treaty Organization possesses the strategic reach, logistical infrastructure and tactical know-how to launch and sustain a credible military campaign. But without American leadership, NATO remains paralyzed.

Mr. Zakaria seizes upon suggestions that respect for universal moral principle, in particular "abstract justice and liberty" rather than prudence and calculation, "justify" U.S. military involvement aimed at halting Serbian territorial aggression and human rights violations. He points out that the absence of public pressure on the United States to conduct military campaigns to extinguish equally lethal ethnic conflagrations in Nigeria, Somalia and Azerbaijan signifies that "what is at stake is not justice for all but justice for Europeans alone."

With indispensible American initiative, an invigorated NATO could finally confront Serbia militarily and thereby defend the universal moral principles that Serbia and other aggressors worldwide so brutally disregard.

The argument is interesting because it raises questions about the legitimacy and enforcement of fundamental inter-

national legal norms. Justice and liberty, to say nothing of a state's right to territorial integrity, are the most fundamental moral precepts codified as rules of international law — most notably in the UN Declaration of Human Rights and Article 2 of the United Nations Charter. Mr. Zakaria's underlying position is that one cannot credibly espouse the legal norms arising from these fundamental moral precepts unless one believes in universal enforcement.

headed, chills me to the bone. ("Stop the Excuses: Serbia Should Get an Ultimatum," Opinion, Aug. 12.)

The home of my grandparents is 50 meters from the air force headquarters building in the Belgrade suburb of Zemun. My cousin, a young architect, lives just on the other side of the same building. I fear that once the not-so-smart bombs start falling, distinctions between civilians and military targets will fade.

It is not too late to pressure all the belligerents into negotiating a settlement. A resort to violence would merely bring more death.

JOHN BOSNITCH, Tokyo.

A Passport in a Hurry

Recently, my husband and I drove our daughter, Kitty, from Trier, Germany, to Frankfurt for her flight back

to the United States after a visit with us. We left her at the airline counter and rushed to keep an important appointment in Würzburg.

Minutes later, as she presented her ticket and passport to the airline representative, she realized that the passport was her mother's, and that her own passport was with me on my way to Würzburg. And there was no way for her to reach us.

She rushed by cab to the U.S. Consulate in Frankfurt to plead with them to give her a new passport promptly. They did — with aplomb and against the odds — in less than two hours, despite the fact that the best identification she possessed was her voter registration card.

She arrived in Orlando, Florida, after a delay of only five hours. Thank you, State Department.

MILKA S. BURSTEIN, Trier, Germany.

GENERAL NEWS

Ukraine UN Soldier Killed in Sarajevo

Compiled by Our Staff From Dispatches SARAJEVO, Bosnia-Herzegovina — A sniper killed a Ukrainian soldier serving with United Nations peacekeeping forces in Sarajevo on Thursday, and Muslim and Serbian fighters clashed in a suburb of the Bosnian capital.

having received assurances from the sides that humanitarian flights faced no threat. The fighters are bringing food and medicine to 380,000 residents trapped in the Bosnian capital.

Fighting flared as the besieged city's airport was reopened to relief flights. It was closed two days ago after the pilot of a British transport detected a radar lock on his plane by an anti-aircraft battery. He took evasive action.

The Ukrainian was shot in the chest at the Marshal Tito Barracks and died in the United Nations Protection Force hospital. He was the second Ukrainian to be killed since the force's arrival here a few weeks ago to replace Canadians.

UN peacekeepers said in private that they believe only the Serbs, who are besieging the Bosnian capital, have such radar-directed guns.

Local journalists said there was street fighting in the suburb of Nizajici during the morning and at Vogosca on Wednesday, with heavy shelling on Bosnians.

General Satish Nambiar, the UN commander in Sarajevo, said he had given the all-clear for the international airlift to start up again.

The Vojvodina, meanwhile, announced on Thursday that it would establish full diplomatic relations with Bosnia-Herzegovina. It recognized two other former Yugoslav republics, Slovenia and Croatia, earlier this year.

War in Balkans A Major Issue in French EC Vote

PARIS — War in the Balkans is emerging as an important issue in the campaign leading to France's referendum next month on the Maastricht treaty.

The commander of the Bosnian forces, Sijepan Sibir, signed an agreement Wednesday with the United Nations to place heavy artillery in and around Sarajevo, including machine guns, cannon and tanks, under UN control, the Tangier news agency reported.

Both advocates and opponents of the accord on European union are using Europe's failure to stop the fighting as an argument for their side. The war is influencing voters, even if it is not clear which way. The latest opinion poll on the referendum, published by L'Evenement du Jeudi magazine on Wednesday, predicted a close vote on Sept. 20. The 53 percent of voters favoring Maastricht represented a drop of at least 3 percentage points from polls two weeks ago.

There was no word on when that change would take effect. An identical agreement was signed Tuesday by the Bosnian Serbs. Their leader, Radovan Karadzic, said his side had agreed to the plan in the hope of avoiding confrontation with convoy escorts.

Supporters and opponents of Maastricht cannot escape from the daily images of this tragedy," wrote Serge July, editor of Liberation.

Italy, the current president of the nine-nation Western European Union, said Thursday that it was willing to send as many as 1,500 troops to Yugoslavia.

The road to Maastricht leads through Sarajevo.

France, which has about 2,700 soldiers with the UN force, has said it is prepared to send 1,100 more. Britain said Wednesday that it was ready to send 1,800.

Another poll reported on Wednesday, carried out for the Japanese broker Daiwa Securities Co. by an independent polling organization, also showed a drop in "yes" votes, forecasting a majority for ratification of 54 percent to 46 percent, a company source said.

International officials, meanwhile, said Thursday that Serbs were blacklisting the world with a reported offer to turn over Muslim and Croatian prisoners, hoping to "cleanse" Bosnia of thousands more non-Serbs with foreign help.

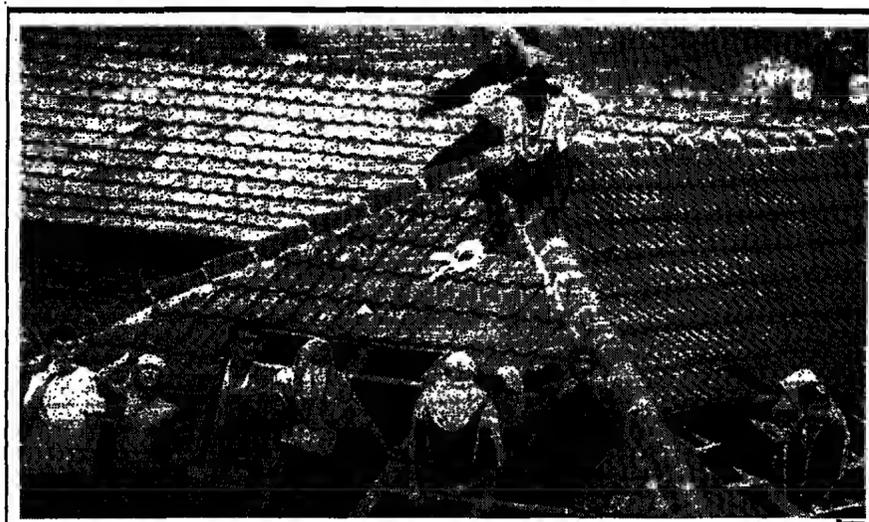
A French "no" would be a massive blow for the treaty, which is a blueprint for economic, monetary and political union. It is meant to be ratified by all 12 members by the year end but was rejected by Denmark in a June referendum.

They said any move to empty the camps, which was reported on Wednesday, had then cornered. Aid workers would in effect be furthering the Serbian purge if they helped people escape, but the other choice would be to abandon them in dingy prisons.

"Once again, they have placed the relief agencies in a very tough spot," said a senior Western official. "It's a cute game the Serbs are playing."

They also led to predictions that the spectacle would end any chance of the royal couple's repairing their six-year marriage. In one shot, Mr. Bryan, 37, is shown kissing

(Reuters, AP)



FRENCH CONVICTS RAISE THE ROOF — Convicts demonstrating Thursday atop a prison building at Mnlhouse as turmoil continued in several prisons across France. After the inmates' protest turned into a scuffle, a prisoner died in a fall from the roof. Some 23 prisoners were injured and a building was set on fire before police were able to restore order. The prisoner demonstration was set off by restrictions ordered after wardens went on strike to protest the murder of a colleague by a convict in Rouen.

Duchess of York Photos Stir U.K. Uproar

Compiled by Our Staff From Dispatches LONDON — Photos showing a topless Duchess of York kissing and cuddling with an American millionaire at a villa on the French Riviera were splashed across British tabloids on Thursday, causing consternation in the royal family.

The 32-year-old duchess's foot. In others he is lying on top of the duchess, locked in an embrace. She rubs suntan lotion on his bald head and is pictured standing up with her arms folded across her bare chest.

"We strongly disapprove of the publication of photographs taken in such circumstances," said Buckingham Palace in a rare statement understood to have been authorized by Queen Elizabeth II and her second son, Prince Andrew, the Duke of York.

The photos, taken by an Italian free-lancer, appeared in the Daily Mirror and The Sun and the Daily Record, after Mr. Bryan's failed bid in London on Wednesday to bar publication.

The Daily Mirror's color photos of Andrew's estranged wife kissing the American, John Bryan, her financial adviser, in front of her daughter, Eugenie, scandalized many Britons.

Britain has no laws on privacy, so his bid to block publication of the photos was rejected by a high court judge.

The photos were taken of the couple on vacation at a villa in the French resort of St. Tropez under the headline "Fergie's Stolen Kisses." The Italian free-lancer, Daniel Angeli, took the photos from public paths around a property owned by a British businessman, Charles Smallbone, in St. Tropez.

The Mirror sold out, leaving newsagents scrambling for more copies, and the paper promised more pictures Friday. Charles Wilson, editorial director of Mirror Group newspapers, said 4.1 million copies of the Daily Mirror and Daily Record were sold Thursday, half a million more than the average daily sale.

The scandal broke while the duchess was at Queen Elizabeth's estate at Balmoral in Scotland for a summer break aimed at healing the family's marital strains.

There have also been widespread reports of problems in the marriage of Charles and Diana, the Prince and Princess of Wales. Diana was portrayed in a recent biography as "trapped in a loveless marriage."

A Mirror editorial said the duchess "has once again made our royal family look a laughing-stock in front of the world."

Tabloids vehemently defended their right to print the pictures "in the public interest," pointing out that Mr. Bryan had repeatedly denied a romantic link to the duchess.

The Daily Mirror's editor, Richard Stott, refused to say how much the Mirror paid for the photographs, but he told Independent Television News that he didn't think £50,000 (\$96,500) was an "enormous amount" to pay.

"These are probably the most sensational set of royal photographs ever taken," said a Mirror photographer.

The only way to avoid such crises, said Harold Brooks-Baker, publisher of Burke's Peerage directory, is to discourage royal family members from marrying "commoners."

Witnesses saw a red, yellow and orange ball of flame around 10.30 P.M. on Wednesday, hurtling in over the North Sea. Shortly afterward, hundreds of people in the northern province of Friesland heard an explosion and felt tremors.

(Reuters, AP)

Algeria Is Feared Close to Collapse

By Youssef M. Ibrahim

New York Times Service TUNIS — Algeria's recent announcement that it plans "drastic measures" to prevent political activity in mosques is the latest indication that a seven-month campaign of repression, censorship, mass arrests of Islamic fundamentalists and stiff jail sentences has failed to stem a rising wave of discontent.

ment repression, of hindering the investigation. Every week, Algeria's government-owned factories reduce production because a shortage of hard currency makes it impossible to import spare parts, and cash is short to pay the workers. Strikes are called daily.

Officials in Tunisia and in Morocco say the evident loss of control by the Algerian government is causing fears that the nation of 26 million people is moving toward a total collapse of law and order.

Increasingly bold fundamentalists stage daily attacks on army officers and police officials. Large stocks of weapons and ammunition have been stolen from barracks and police stations.

"If Algeria sinks into chaos," a Western diplomat said, "the only credible political force in that country that can take over is that of the Islamic fundamentalists, and that's bad news for Tunisia and Morocco, which have a serious fundamentalist problem of their own," a Western diplomat said.

Since February, more than 130 state officials have been killed in the assaults. Many of the fundamentalist attackers also died.

In recent weeks signs of disintegration have multiplied as the economy ground to a halt, armed clashes between fundamentalists and government forces erupted in every town and the government banned newspapers and restricted political freedoms.

Earlier this month, fundamentalists took responsibility for an attempted assassination for the first time. The target of the attempt was Security Minister Mohammed Toula.

A commission appointed to investigate the killing last month of the Algerian president, Mohamed Boudiaf, has come close to publicly accusing the army's military security organization, the most powerful instrument of govern-

The admission came in a pamphlet signed by the Islamic Salvation Front, the country's largest political party, which was deprived of an electoral victory in January and then banned by the military-led government.

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Mr. Ziegler said it was important to investigate developments in the former East Germany, which disappeared in 1990 with German reunification.

The Honecker attorneys reportedly want to show that Mr. Honecker was carrying out Moscow's wishes in ordering border guards to shoot people trying to flee.

He said Mr. Gorbachev would be a key witness since he was Soviet leader when the Berlin Wall was demolished in 1989. (Reuters, AP)

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"Bellofronte doma Pegaso," a bronze cast in 1480 by Bertoldo di Giovanni, at left; Donatello's "La Madonna delle Nuvole."



Up From the Cellar And Into the Auberge

A Chef-Jazzman Marries Music and Cuisine

By Mike Zwernin
International Herald Tribune

LA-CELLE-SAINT-CYR, France — For fans who want to move jazz upmarket out of cellars, caves, beer joints and booze-sponsoring boardrooms into healthy air under wholesome skies, hope is on the horizon in the person of chef, innkeeper, golf pro, wine-grower and saxophone player Vincent Pointeau-Langevin.

Running the Auberge de la Fontaine Aux Muses in an idyllic hamlet in a tree-shaded valley near Joigny, a river port about 150 kilometers (90 miles) south of Paris, Pointeau-Langevin knows that plums and jazz have ripeness in common, and he is in the process of marrying the two.

Both take their time. They can neither be rushed to cater a party nor postponed because the drummer is late. It's a matter of experience and love. Time is of the essence. Pointeau-Langevin sees no conflict basing a business on, metaphorically speaking, the mating of the two.

Paris is one major city you are not desperate to leave in summer when the weather gets warm. Fortunately, the majority does not agree. Quiet, space and tree-shaded squares remain after the big escape. It is then possible to play country in the city. You suspect it is the best place in the world to be.

On the one hand, Paris is too nice to leave in August. On the other, the French countryside is too inviting to avoid. This can be looked at as a no-lose situation. The movable feast expands across the border.

You can have the best of two possible worlds. If it gets lonely on the weekends with your friends away, Saturday is definitely not the loneliest night of the week in the Auberge de la Fontaine Aux Muses. The clients come for the choruses as well as the courses. It is unpretentious and fairly priced and the travelers you find act like music lovers not tourists. You are proud to be counted among them.

You can judge a hotel by its guests. Whether they speak French, German, Dutch or English, these are people who will go out of their way to find a Saturday night dinner accompanied by soft melodic unpretentious jazz. Quality takes many forms, and joy is one of them.

Pointeau-Langevin grew up here in the department of the Yonne after his parents rebuilt a ruin. His father was a composer in Paris. He had many artist friends who wanted peace and quiet and they came to visit. His mother was from the Auvvergne. Her cooking was legendary among their friends, more and more of whom became regular visitors. She decided to open a restaurant. "My mother was the one with her feet on the ground," Vincent laughs. "My father had the ideas."

Vincent's career was, as he puts it, "pre-planned." He studied classical piano, flute, saxophone and gradually moved toward jazz

in his teens. But he never wanted music as a full-time métier. The Auberge required somebody with plenty of energy and savvy to develop the property to its potential. And so he found himself with a balanced life. His parents' friends — dancers, painters, musicians — began to visit this idyllic spot when it became an auberge. The word Muses just seemed naturally to belong in the name.

"What I'm doing," he says, "is perfect for me. I feel myself a complete person, well-balanced with all my activities." He designed and built a six-hole golf course, oversaw the installation of a swimming pool and this fall will harvest his first grapes, a quarter of a hectare of chardonnay and pinot noir vines.

BUT Saturday nights, when he can play his saxophones for his clients are still the center of his life. He hires local bands. Between renditions of "Black Orpheus" and "All the Things You Are," they speak to each other with great love about Sonny Rollins, Dexter Gordon and Johnny Griffin. Jazz folklore is heavy around here.

Pianist Jean-Marie Pot pulls in on his truck with a shovel firmly embedded in the cement load he is hauling. Sometimes there are two basses and no guitar, or a drummer and no bass. It doesn't matter, the joy's the thing. Vincent wishes he had more time to practice; he finds his fingers flying faster than his head. It is clear that these Saturday night virtuosos are not Salle Pleyel or Carnegie Hall candidates, but it is better to digest dessert with spirited local musicians than disgruntled stars. And the spirit is special. They are young musicians from surrounding towns smiling with the joy of eating well while getting paid for the privilege of playing jazz music under a weeping willow tree.

Although perhaps not practical, music can be seductive. Pointeau-Langevin's face lights up as I ask him if he would like to be offered a two-week tour playing the saxophone with his own band. "Ooh la la. Yes I would, that's my dream."

HEAR THIS

Forgive vegetarians if they sound a little smug these days when they talk about saving the environment from globe-warming methane gas, overgrazing and world hunger by discouraging farmers from growing feed grain rather than food grain. AP tells us that Vegetarian Times, paid circulation 200,000, now lists more than 1,000 vegetarian restaurants in the United States. In 1978 it listed only 350. And at the Source, the Hollywood restaurant where Woody Allen ordered a fictional plate of mashed yeast in his movie "Annie Hall," vegetable burgers outsell hamburgers 10 to one, says owner Winton Winslow.

Lorenzo's Garden: A Glimpse of Paradise

By Ken Shulman

FLORENCE — Of the many myths and legends that envelop Lorenzo de' Medici's Florence, few are as alluring or elusive as that of the Garden of San Marco. Mentioned in several 16th-century sources including Giorgio Vasari's "The Lives of the Artists" and Ascanio Condivi's biography of Michelangelo, "Il Giardino di San Marco" was a Medici property near the church of San Marco that Lorenzo "Il Magnifico" converted into a hybrid outdoor museum and art school toward the late 1470s. Its most famous alumna was Michelangelo Buonarroti.

The heroic spirit — if not the ethereal substance — of Lorenzo's sculptor's garden is evoked in the exhibit "Il Giardino di San Marco," at the Casa Buonarroti through Oct. 19. One of the best of myriad shows conceived to commemorate this year's 500th anniversary of Lorenzo's death, "Il Giardino di San Marco" is a compact but loosely cut exhibit with a dual purpose: to reproduce the artistic climate in which the young Michelangelo matured and to present the myth of the garden of San Marco as a metaphor for the elegant, erudite, and decadent court over which Lorenzo presided as Florence's fortunes began their inevitable downturn.

According to Vasari, the garden was a latter-day recreation of the Platonic Academy, a place where promising painters, engravers and sculptors could inspect, repair and imitate the Greek and Roman antiqu-

ties whose study Lorenzo believed essential in the preparation of any Florentine artist. Bordered by a line of cypresses, the garden was an obligatory stop for any visiting statesman or ambassador to the Medici court in the 1480s.

While modern historians differ over the actual role and import of the garden, the image of the garden as a full-blown artist's Eden endures. Lorenzo's court sculptor and cultural arbiter Bertoldo di Giovanni directed the garden, acting both as curator of Il Magnifico's collection of antiquities and as instructor to young Florentine artists like Giovan Francesco Rustici, Andrea Sansovino, Baccio da Montelupo and Francesco Granacci. Granacci, who made his first entry into the annals of Florentine art as the 14-year-old model for Filippo Lippi's "Teofilo" in the Brancacci Chapel, performed an even greater service when he invited his colleague Michelangelo to leave the workshop of the painter Domenico Ghirlandajo to join him in Lorenzo's garden, perhaps changing the course of world art in the process.

THE show starts in strength with two rooms conceived around La Casa Buonarroti's two early Michelangelo reliefs: "La Battaglia dei Centaurs" (The Battle of the Centaurs) 1490-92, and "La Madonna della Scala" (The Madonna of the Stairs) circa 1490. Beginning with Bertoldo di Giovanni's "Bellofronte doma Pegaso" (Bellofronte Tames Pegasus), a 32.5-centimeter (13-inch) bronze cast in 1480, and continuing with Antonio

Pollainolo's large copper engraving "Battaglia di Dieci Nudi" (Battle of Ten Nudes) circa 1465, the Casa Buonarroti show presents two early representations of the Florentine heroic themes and postures that will inspire Michelangelo in his "Battle of the Centaurs."

Michelangelo's "Madonna of the Stairs" is set in the context of Donatello, who was the favorite sculptor of Lorenzo's grandfathers, Cosimo the Elder, and whose works were held to be the equals of any Greek or Roman statue in the court of Il Magnifico. While undoubtedly influenced by Donatello's works, Michelangelo can also be considered that sculptor's indirect heir; Bertoldo, who presumably instructed Michelangelo in the Garden of San Marco, learned his craft in Donatello's workshop.

The show's two Donatello reliefs — "La Madonna delle Nuvole" (The Madonna of the Clouds) circa 1425-30, on loan from the Boston Museum of Fine Arts, and the Victoria and Albert Museum's "Madonna col Bambino" (Madonna and Child) circa 1440 — are extremely low, yet vibrantly plastic and expressive. Together, they set a precedent both for subject and treatment that Michelangelo would develop half a century later in "The Madonna of the Stairs."

The exhibit's remaining two rooms — "The Room of Heads" and "The Room of Myths" — are a fond if unfocused homage to Lorenzo's courtly Florence. Less adept than his grandfather at running the family bank, Lorenzo far surpassed his forebear in form,

writing poetry, actively patronizing artists and cultivating the friendships of humanists like Marsilio Ficino, Cristoforo Landino and Angelo Poliziano, who according to legend provided Michelangelo with the subject for "The Battle of the Centaurs."

Lorenzo's Florence was more magnificent than Cosimo's, but it was also more fragile, a city that turned increasingly toward history and myth for its self-image while its fortunes and finances disintegrated. The show's somewhat disjointed selection of sculpted or painted portraits and its sampling of the mythological subjects underline the self-indulgent aura of illusion that typified the last years of Lorenzo's reign.

CONSUMED by gout, Lorenzo de' Medici died in October of 1492 at the age of 42. One by one, the artists who had studied in his San Marco Garden left Florence to find their fortunes elsewhere. In November of 1494, one month after Michelangelo left his native city for Bologna, and a few weeks after Lorenzo's son Piero had been exiled from the city, the army of King Charles VIII of France entered Florence.

The Florentines sacked many of the Medici properties, including the Garden of San Marco, leaving only a row of cypresses as a reminder of one of Lorenzo's noblest experiments.

Ken Shulman is an American writer based in Italy.

THE MOVIE GUIDE

Single White Female

Directed by Barbet Schroeder, U.S.

Barbet Schroeder and Don Roos, who adapted his screenplay from a novel by John Lutz, have made "Single White Female," a psychological thriller far classier than — but essentially not very different from — "The Hand That Rocks the Cradle." Schroeder ("Barfly," "Reversal of Fortune") is a director of terrific intelligence and wit. Yet the journey made by Alli (Bridget Fonda) and Hedy (Jennifer Jason Leigh) in "Single White Female" has more to do with siletto heels as weapons and the use of guns than it does with serious considerations of identity. "Single White Female" is Schroeder's bid to compete in the mass market, and there's no reason the filmmaker shouldn't succeed. The film is smooth, entertaining and sophisticated. It has far more sound psychological underpinnings than others of its type. Both ac-

tresses are exceptionally good. (Vincent Canby, NYT)

Shison offu

Directed by Shun Nakahara, Japan.

The director of "The Cherry Orchard" and "Twelve Gentle Japanese" here presents a mild but mannered sex comedy about city folks on a resort island. There is the college-kid couple on its first fling, a jaded married duo ready for something different and a beautiful girl on the loose. Nakahara runs the possible permutations and films the results as stylized theater. Scenes are balanced, combinations are contrasted and the editing artfully insists upon parallels. Theater-like, the dialogue is abundant. At the same time it is so self-consciously literary that we soon realize that this is a modern-day pastoral, something like "As You Like It," a structured social farce, something like Marivaux's "Le Jeu de l'amour et du hasard." But in all this excess there is no irony and the small talk re-

mains small, a Japanese example of *marivaudage*. This the producers seem to understand. They have given the film a French running title: "Hors de Saison." (Donald Richie, IHT)

Diggstown

Directed by Michael Ritchie, U.S.

Not since "Smile" and "Semi-Tough," both released in the mid-1970s, has Michael Ritchie directed anything quite as entertaining as "Diggstown," a funny and vulgar fable about con artists. Adapted by Steven McKay from a novel by Leonard Wise, "Diggstown" is rough and improbable; yet it moves with such speed and cheerful nervousness that it's almost as irresistible as its fast-talking hero is reputed to be. He is Gabriel Kane (James Woods), who, when first seen, is preparing for his release from Winfield Prison, where he has spent three years for selling Old Masters painted

with acrylics. Gabe hasn't been wasting his time inside. He has accumulated a \$30,000 nest egg by arranging bare-knuckle fights and taking bets. He has a plan for a scam that will make him a multimillionaire. He goes to Diggstown, the center for what's known as cash fighting, epic boxing matches that are supervised by no one except the high rollers who arrange and bet on them. Gabe's intended mark is John Gilton (Bruce Dern), the soft-spoken, politely menacing Big of Diggstown. More or less in the middle is Honey Roy Palmer (Louis Gossett Jr.), the pal whom Gabe brings to Diggstown to fight any 10 opponents Gilton puts up against him in a 24-hour period. The film somehow transcends its rather parochial roots to become a first-rate work of legitimate if eccentric order. Its heart is a series of brutal and hilarious ring confrontations that send up the kind of heart-rending nonsense the "Rocky" films trade in. (Vincent Canby, NYT)



Bridget Fonda, left, and Jennifer Jason Leigh in "Single White Female."

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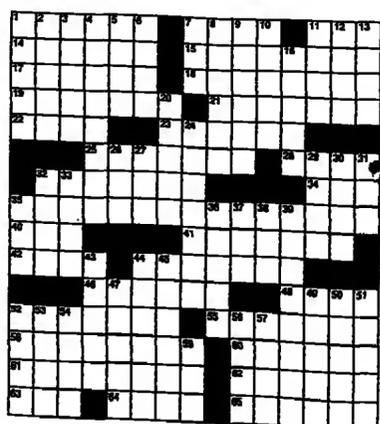
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- 32 Agreed, in a way
- 34 Dockworkers' org.
- 35 Berne book: 1964
- 40 Siamang, a.g.
- 41 Arrow poison, also called curan
- 42 Suffix with count or number
- 44 Far from subtle
- 46 Start of a Hemingway title
- 48 Othello's ancient
- 52 Thin — (very slim)
- 56 Sang like a Tyrolean
- 58 Mugwump's stance
- 60 Buyer
- 61 Type of rumny
- 62 "The die —"
- 63 Possessive pron.
- 64 Anagram for 12 Down
- 66 Saint-Seans's sharps

Solution to Puzzle of Aug. 20

FACE SLAM GARD
ALAN STOLA ARIA
LINT CANTILLATE
LITERATI DEALER
IRENE BEA
PILSEN BENDOVER
AME LEGAL SPIERO
WAVE ROSIE ANIL
INERT FIEND TAE
CEREBRAL CASINO
OAR NATAL
ASLONG DICERATI
SCAPEGRACE OTIS
HAKE EARED NORA
EDEN DYER GREY

DOWN

- 1 A 1929 event
- 2 Dispatch
- 3 Starwort
- 4 Claw at
- 5 Spanker
- 6 E German river
- 7 Feign elementary echoes
- 8 Centers
- 10 Heap of stones
- 11 Sediment
- 12 Gaelic
- 13 Concordes
- 16 "Gin a body — body": Burns
- 20 Rajah's wife
- 24 Bohemian dances
- 26 Smith and Hirt
- 27 Short snort
- 29 Nursery tumbler
- 30 Jai
- 31 Manta
- 32 Cassette
- 33 Collega town in Iowa
- 36 "My — Sel"
- 38 Hopsotch
- 37 Mauna —
- 39 Pelagic bird
- 39 Job's need
- 43 Conductor Caldwell
- 44 George Washington, e.g.
- 46 Yankee pitcher in 1960
- 47 Muslim magistrates
- 48 Robert and Alan
- 50 Foxes' quarry
- 51 "Till the Day I Die" playwright
- 52 "... much — life was worth": Sterne
- 53 Child's command
- 54 Rainbows
- 56 "Metamor-phoses" creator
- 57 Lucy's spouse
- 59 New Orleans-to-Savannah dir.



© New York Times, edited by Eugene Malachuk.

صكزا من الاصل

L E I S U R E

Chamaleon Changes Hue of Berlin Nightlife

By Ian Johnson

BERLIN — As this city's official culture scene screams under the budget-cutter's knife, one small animal is looking on and laughing.

In a crumbling eastern Berlin district known more for its streetwalkers than theaters, the Variété Chamaleon has become an improbable post-unification success. It features witty parodies of slick revues and is leading the revitalization of Berlin's old theater and cabaret district of the 1920s.

And all this without east-west squabbles, grants or sponsors.

"We don't have anything against sponsors. But for now we haven't had any good offers that wouldn't compromise us. So we're just making do without," said Jan Wesemann, the Chamaleon's managing director.

The Chamaleon's success is unusual in today's gripping Germany: Enthusiastic Wests and Ostis have volunteered hundreds of hours to rebuild the theater's rented rooms in an old factory complex, while artists have accepted low wages for a chance to work in an unusually spontaneous east-west atmosphere. Since opening last year, the Chamaleon has put together three shows that entertain by lampooning the horrid variety and musical shows that seem to plague big cities.

The shows last about two hours and have featured singing, belly dancing, poetry, slapstick, acrobatics, an excellent band and the ubiquitous continuity man. But unlike the standard greasy showmasters, the Chamaleon's between-act commentator is a bedraggled intellectual trying to turn each act into a statement on life.

"Who indeed can know what lies under the surface? Indeed what is underneath all that we see? To look further I present the striptease!" host Marcus Jeroch said in his whimsical rhyme.

The striptease was, of course, no erotic interlude but a satire on the breasts and bottoms number that so many revues feature. The performer was invisible on the dark stage but for a few fluorescent-colored items, such as lingerie and a glowing clown mask. After a strip that seemed to defy human anatomy, the number ended with the lights going up to reveal the voluptuous object of the audience's desire: a fully clothed man with daisy-like eyes.

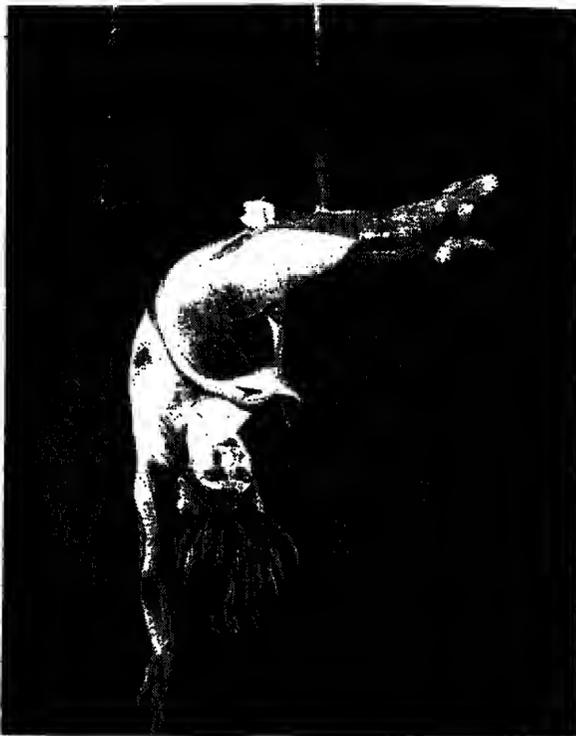
While some of the acts were complete flops — an imaginary ping-pong game between a clown and a member of the audience and a few too-serious acrobatic numbers — the numbers generally succeed in entertaining and involving the audience.

BESIDES fighting what technical director Andreas Dicker calls "television-induced passivity" in the audience, the theater also tries to attract as diverse an audience as possible. Unlike Berlin's big theaters and revues, which in the east and west have become bastions of the western tour-bus and BMW sets, the Chamaleon attracts an amazingly wide group of people. With an entrance fee of 22 Deutsche marks (about \$15), half the ordinary ticket for a revue, it attracts punks, school teachers, tourists and business people.

"Our goal was to get people who would be uncomfortable sitting next to each other in a subway car sitting together in the theater," Dicker said.

The Variété Chamaleon is at Rosenthaler Strasse 40/41 near the Hackescher Markt S-Bahn station. The group, currently touring Britain, resumes its regular daily program in Berlin on Sept. 1.

Ian Johnson is a free-lance journalist based in Berlin.



Acrobats, singers, poets and belly dancers perform in variety show spoofs.

Bargains by the Bucket

Discounts, With Flexibility, on Air Tickets

By Roger Collis
International Herald Tribune

A BUSINESS-CLASS round-trip ticket from London to New York on American Airlines for £1,200 (\$2,300 or 44 percent off the list price); London to Beijing on Alitalia for £1,025 (64 percent off); London to Johannesburg/Cape Town on South African Airways for £1,100 (57 percent off) and London to Vienna on British Airways for £354 (23 percent off). These are some current bargains available from travel agents in London. Welcome to the world of cut-price air tickets.

We're not talking about promotional or discount fares published by airlines but unofficially discounted tickets for full economy, business and first class, which are sold over discreetly by so-called flight consolidators, or

The Frequent Traveler

"bucket shops." They are valid for a year and fully flexible, except you can't change to another airline. Not bad when you're saving up to 60 percent on the official fare.

Consolidators are travel agents who are appointed by airlines to sell their surplus seats for less than the published IATA or government-approved tariffs — a kind of under-the-counter discounting. Consolidators buy seats at net prices and resell them either as a wholesaler to other agents or direct to the traveler at a markup — often with fewer restrictions in the case of back-of-the-plane fares.

"We can do first- and business-class tickets for 25 to 30 percent less than the published fare," said Rolf Weber at Stohl-Air-Voyages in Geneva. "And up to 60 percent off full economy." "But we do not advertise this."

Stohl-Air deals exclusively in long-haul travel and sells its special fares only through travel agents in Switzerland and neighboring parts of France, Germany and Italy. Travelers in London sell similar deals direct to the public. You can save 50 percent on long-haul business-class fares.

Bucket shops — or ticket brokers as they like to be called — are unlicensed and unbonded consolidators that do not belong to IATA or a trade association. Back in the bad old days when IATA policed air fares and took travel agents to court for discounting tickets, bucket shops operated in a twilight world from upper floors of city center office buildings. Nowadays IATA agents often procure cut-price tickets from a bucket shop and mark them up for their customers.

Why use a bucket shop if your local travel agent is now in the business of cut-price tickets? Efficient service and deeper discounts, according to Riaz Dooley, whose three Travel Bazaar shops in London have a galaxy of bargains for business class as well as economy, such as a round-trip from London to Singapore with Pakistan International Air-

lines for \$644 instead of £2,896; Austrian Airlines to Moscow/St. Petersburg/Kiev for \$625 instead of £1,164; British Airways to Chicago for £1,720 instead of £2,586; or Brynmor Airways (from London City) to Paris for \$37 instead of £316.

Dooley won the sobriquet "king of the bucket shops" from the British media in 1980. He claims a turnover today of £5 million.

"We can give better service because our overhead is not as high as agents like Trailfinders, and we are quick and clever at getting deals; we are closer to the market than anyone else," Dooley says. "When it comes to undercutting of fares you don't need computers, you don't need qualified staff. You need 30 or 40 destinations and an allocation of seats. One reason airlines like to deal with bucket shops is that they don't like to be seen to be cutting the prices. If a ticket is stamped by an IATA agent, you can identify it as cut price; with us the ticket is stamped by the airline so there's no trace of it."

There are no consolidation fares on most European routes in business class, which in most cases is the lowest fully flexible fare. The best you can do is shave a few dollars off the official PEX/APEX fare, and avoid the Saturday night nonsense. But there are consolidation bargains on Asian and North American carriers that fly between many cities in Europe as part of their long-haul service. It is possible, for example, to save 25 percent on the business class fare if you fly Air Canada between London and Nice; Air Lanka to Zurich, or Varig to Copenhagen.

You might say that getting bargains in the front cabin within Europe is the last frontier for the bucket shops. The airlines force the business traveler to pay top dollar for flexibility and some spurious frills. But in a more liberal climate, market forces should force the issue soon. "It's a new market for me," Dooley says. "I will try and open it up and talk to national carriers."

A useful guide is "A-Z Discount Air Fares" published by Atlas Publishing & Media International. The guide lists cut-price fares to hundreds of destinations along with names of cut-price agents around the world.

DO'S AND DON'TS

Read the Fine Print
Do find out about travel restrictions: Can you change flights and dates? Can you switch to another carrier?

Deposits
Don't pay more than \$100 deposit if the deal is being done by mail. And get a receipt in your name.

Credit Cards
Do pay by credit or charge card — it is the best security in case anything goes wrong.

THE ARTS GUIDE



Maori head at the Fondation Cartier in Jouy-en-Josas, France.

AUSTRIA
Vienna
Kunsthau Wien (tel: 712.04.95). To Oct. 18: "Caricature and Satire." Five hundred years of critical drawing.

BRITAIN
London
Barbican (tel: 638.41.41). To Oct. 18: "John Heartfield." A major retrospective of the father of photomontage. To Oct. 13: "The Cutting Edge." Exhibition of works commenting on contemporary world affairs by British satirists, cartoonists, artists and painters. British Museum (tel: 323.85.25). To Sept. 6: "Mexican Painted Books Before and After the Spanish Conquest." Some of the finest ancient

Mexican painted books and manuscripts.

FRANCE
Jouy-en-Josas
Fondation Cartier (tel: 38.56.48.48). To Oct. 4: "A Visage Decouvert." Human faces depicted in art, from the Mayas to Rodin, Giacomotti and Bacon.
Paris
Musée de la Mode et la Costume, Palais Galliera (tel: 47.20.85.23). To Oct. 31: "Van Cleef & Arpels." More than 350 pieces tracing the evolution of the house's style from the 1920s to the present.

IRELAND
Dublin
The Irish Museum of Modern Art (tel: 71.86.66). To Oct. 11: "O'Ma-

ley Collection." The collection of early- and mid-20th century works include paintings by Jack B. Yeats and photographs by Helen O'Malley.

JAPAN
Tokyo
Tokyo Metropolitan Art Museum (tel: 38.23.89.21). To Sept. 23: "Treasures from the Palace Museum, Beijing." Commemorates the 20th anniversary of good diplomatic relations between China and Japan.

SWITZERLAND
Lausanne
Musée de l'Elysée (tel: 617.48.21). To Aug. 30: "Wim Wenders, Photographer." Images from America and Australia, showing the influence of these continents on Wenders's films.

UNITED STATES

New York
Whitney Museum of American Art (tel: 570.38.33). To Oct. 25: "Homecoming: William H. Johnson and Afro-America, 1938-46." Paintings portraying the artist's long-neglected Southern black heritage.

Santa Monica
The J. Paul Getty Museum (tel: 459.76.11). To Oct. 4: "17th-Century Dutch Drawings." Highlights this golden age of Dutch draftsmanship through the works of such masters as Rembrandt van Rijn, Jan van Goyen and Adriaen van Ostade.

Washington
Arthur M. Sackler Gallery (tel: 357.48.80). To Nov. 1: "Ancient Japan." Two hundred and fifty eight objects that trace the evolution of early Japanese culture.

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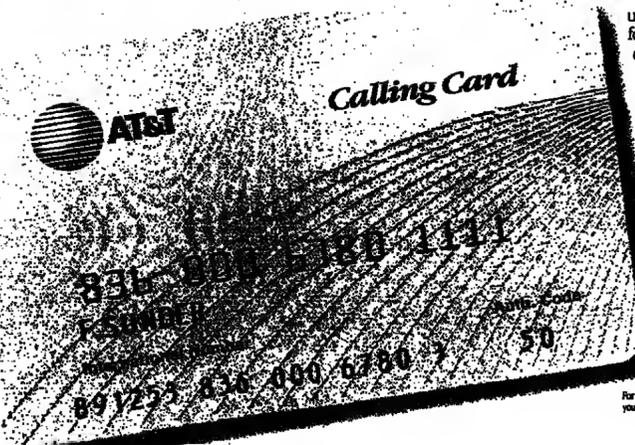
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FRANCE	190-0011	ISRAEL	177-100-2727	SWITZERLAND	155-00-11
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GERMANY**	0180-0010	*NETHERLANDS	090-022-6111	U.K.	0600-85-0011

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BUSINESS



THE TRIB INDEX: 91.57

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weighting: 40%	Approx. weighting: 35%
Close: 74.45 Prev.: 71.77	Close: 98.68 Prev.: 98.68	Close: 99.68 Prev.: 99.68

Industrial Sectors	The. Close	Prev. Close	% Change
Energy	97.53	97.48	+0.05
Utilities	86.32	85.08	+1.46
Finance	74.85	72.25	+3.32
Services	99.20	98.75	+0.46

WALL STREET WATCH

The Latest From Chicago: Insurance-Claim Futures

By Allen R. Myerson
New York Times Service

CHICAGO has given the world a raft of innovative financial products—futures markets in everything from mortgage securities to indexes of stocks. Now the Chicago Board of Trade is about to introduce its latest innovation: futures contracts in insurance. Executives at the board say the new product has the potential to make health and property insurance more readily available at lower, more stable prices.

Board of Trade executives say that by the end of the year, they hope to begin trading in contracts that will allow insurance companies to limit their losses from hurricanes, earthquakes and riots, and let speculators profit when these events occur.

Should catastrophe strike, insurers that have bought these products are supposed to be better able to pay all the homeowners, car owners, farmers and business owners who file claims. Of course, if speculators predict wrong, they could face losses.

In the case of insurance futures, a company that insures homeowners, for example, might try to offset the risk of large catastrophic losses by buying 200 contracts. Since each contract represents anticipated losses on \$50,000 in insurance premiums, the insurer could be buying unlimited coverage on \$10 million worth of premiums. If each contract cost \$2,500 on the day the insurer entered the market, the cost would amount to \$500,000.

If a hurricane destroyed many homes, the insurer would be flooded with claims. The insurer could let the futures contract expire, and the seller—possibly a speculator—would, in effect, be responsible for paying some of the claims the insurer faced.

Or, the insurance company might sell the 200 contracts before they expired. As the industry faces greater claims for the hurricane, the price of the contracts would have risen on the exchange. The insurer could sell the contracts for a profit, offsetting the claims.

Of course, if no catastrophe had hit, and claims during this period had been relatively small, the price of the contract would have fallen. In that case, the insurer would have lost money on the contracts, and the speculator would have profited.

In allowing insurers to lay off risk, the futures will work somewhat like reinsurance. Christian Milton, a vice president at American International Group, said catastrophe-insurance risk threatens to overwhelm the industry, and the futures market might help there.

O&Y Enlarges Equity Offer

Compiled by Our Staff From Dispatches

TORONTO—Olympia & York Developments Ltd. said Thursday it had offered up to 80 percent of its equity to creditors as part of a plan to restructure \$7.2 billion of its debt.

A previous restructuring plan outlined in May was rejected by creditors. It included a five-year debt extension and an offer of up to a 20 percent ownership stake.

O&Y said Thursday it wanted project creditors, whose loans are secured by its Canadian office buildings, to accept a five-year extension of debt maturities, while other creditors would be offered up to 49 percent of the company's equity. O&Y would continue to manage its core properties for fees.

At the end of the five years, any remaining unsecured debt would be converted into equity and increase creditors' stake to a maximum 80 percent.

O&Y is the largest commercial real estate company in the world, but it has filed for protection from its creditors in Canada, the United States and Britain because of an inability to service its approximately \$12.6 billion in debt. Its problems are linked to a worldwide slump in real estate prices.

O&Y has been concentrating its efforts on talks with its project lenders, whose assets are secured against the developer's portfolio of Canadian office buildings. These creditors have more leverage in talks with O&Y than other lenders and have threatened to balk at a restructuring plan in the past.

O&Y said its shareholders, members of the Reichmann family, are prepared to contribute "significant" assets to the restructuring. For example, the Reichmanns are prepared to transfer a 20 percent interest in O&Y's U.S. properties to the restructuring. Other details of the plan include funneling all excess operating revenue into reducing debt.

O&Y is scheduled to file a restructuring plan with an Ontario court by the close of business Friday.

Earlier Thursday, an O&Y lawyer said the company was close to an agreement with its project lenders, although lawyers for two creditors were wary about an overall deal. "We're at an almost-final stage with a number of the major lenders," said the lawyer, David Brown. "It would be too much to say agreements are final," he added, "but we are very close with many of the project lenders."

But a lawyer for one of the lenders said: "We certainly aren't close yet. We have a proposal before us. There is a fair bit of ground to cover."

A lawyer for another creditor said he understood O&Y was close to agreement with some project lenders, but others still have a long way to go before a deal was reached. He said negotiations on the debt plan would continue well into September.

Separately, National Bank of Canada reported a third-quarter loss of 117.5 million Canadian dollars (\$98.2 million) that included a 220 million dollar provision for bad debts, particularly loans to O&Y.

(Bloomberg, Reuters)

Dollar Near Mark Low

By Lawrence Malkin
International Herald Tribune

NEW YORK—An extraordinary constellation of political and economic conditions drove the dollar close to its postwar low on Thursday as markets nervously awaited President George Bush's nomination speech to decide whether he still has a chance in the presidential race.

The election factor added to those that have been weighing on the dollar recently—the persistently sluggish U.S. economy and the differences between the more attractive German and lower U.S. interest rates.

On the other side of the balance, working against the Deutsche mark, is fear that Europe's next step toward unity could fall apart if French voters reject the Maastricht treaty in a referendum next month.

Two opinion polls on Wednesday indicated support was waning in France for the European Community's treaty on economic and monetary union, although a majority still plan to vote for the Maastricht accord.

And working in favor of the dollar is the threat of another massive intervention by the world's central banks under the Federal Reserve's direction to steady the dollar in the election season. That has prevented bears from going too heavily against the dollar lest they be caught short if central banks started buying it.

The day began in Europe with money heading for the sidelines as bears dumped dollars and bought Swiss francs, since Switzerland is not a member of the European Community or its monetary arrangements. Swiss franc assets, therefore, are seen as relatively immune to the financial fallout that would accompany a rejection of the Maastricht accord.

The Swiss franc buying helped drive the dollar down in London from Wednesday's closing of 1.4538 DM to 1.4490 DM, only a fraction of a penny from the postwar low of 1.4430 set on Feb. 11, 1991.

The market steadied somewhat when the Bundesbank announced it was not raising rates and dealers noted that the growth of Germany's M-3 money supply had slowed 0.1 percentage point last month, to 8.6 percent. The money-supply figures relieved some of the pressure on Germany's central bank to raise interest rates again and squeeze the German, as well as the European, economy.

Pointing up the stark rate differentials, the U.S. Treasury sold \$14.27 billion of one-year bills at a rate of 3.28 percent, a 29-year low. That discount rate from face value resulted in a yield of 3.41 percent to investors, compared with the approximately 9.875 percent available on one-year German deposits.

In New York, the dollar moved even closer to the postwar low, sliding to 1.4475 DM from 1.4587 on Wednesday.

(See DOLLAR, Page 10)

Scandinavia Banks to Feel Hafnia Pinch

Compiled by Our Staff From Dispatches

STOCKHOLM—Hafnia Holding A/S's decision to suspend payments will hurt some major participants in the beleaguered Scandinavian financial industry, analysts said Thursday.

Some institutions will have to write off loan losses, while others will have to take substantial write-downs on shareholdings in Hafnia, and a number will have to do both, they said.

The Danish insurer on Wednesday suspended payments and announced the transfer of all assets to a new company in a move to keep its insurance and banking operations running.

Hafnia's major creditors are Den Danske Bank A/S of Denmark, Commerzbank AG of Germany and Skandinaviska Enskilda Banken AB of Sweden, according to the Swedish newspaper Svenska Dagbladet.

Commerzbank's shares dropped 6.7 percent on the Frankfurt exchange on Thursday, to 220.50 DM (\$151), on worries that it would suffer losses from Hafnia's restructuring. A Commerzbank spokesman said the bank did not expect to make a loss on its loans to Hafnia.

Estimates of Commerzbank's exposure range from 800 million to 1 billion Danish kroner (\$143 million to \$178 million).

Swedish press estimates of S-E Banker's exposure ranged from 450 million to 1.4 billion Swedish kroner (\$85 million to \$264 million).

The highest estimate, by Dagens Industri, is based on the assumption that S-E Banker lent

Japanese Slide Halted But Other Bourses Fall

Compiled by Our Staff From Dispatches

Government action has reversed the steep slide in Tokyo stocks, but the two-day recovery in Japan was not enough to hearten European markets on Thursday.

With a 617.02-point rise on Thursday, to 15,267.76, the Nikkei 225-stock average brought its advance to 6.7 percent following the Tuesday announcement by Finance Minister Tsutomu Hata of a package of market-priming measures. The measures would discourage companies from selling stocks to realize capital gains, temporarily suspend rules requiring minimum dividends from financial institutions and provide tax relief for companies burdened with bad debts.

It was unclear how much benefit the measures held, but the market's recent slide seems to have been arrested. "At least you know now that the whole system isn't going to fall apart tomorrow," said Alicia Ogawa, an analyst at S.G. Warburg Securities (Japan) in Tokyo.

The rally Thursday was accelerated as investors who had gone short—betting stock prices would fall—closed out their positions by purchasing stocks.

The improvement in Japan did not carry over to European markets, which in recent sessions have fallen in sympathy with Tokyo's woes. While the Asia component of the International Herald Tribune World Stock Index rose 3.73 percent on Thursday, the European gauge rose 0.01 percent. U.S. stocks ended little changed. (Page 10)

In Frankfurt, the problems of the Danish insurer Hafnia Holding A/S pushed down Commerzbank's stock, depressing the entire market. The DAX index fell 11.66 points, or 0.76 percent to 1,513.06, its 1992 low, although trading was light.

Elsewhere, the CAC-40 index on the Paris Bourse fell 10.03 points, to 1,724.18, pressured by inflation fears and an analyst's downgrade of Total, the oil concern, which fell 12.7 francs, to 212.50. London shares were depressed by a falling pound, and the Financial Times 100-share index fell 4.1 points, to 2,359.4.

(Reuters, Bloomberg, WF, UPJ)

Speculating on Death: Is It Moral, or Legal?

By Peter Kerr
New York Times Service

NEW YORK—It seems like a worthy, simple plan: A company buys the life insurance policies of AIDS patients at reduced value, so the patients can have at least some cash from the policies while they are alive. After they die, the company is paid the full amount due under the policies.

Thus, in 1988, an industry was founded. It has already bought an estimated \$100 million in insurance policies from terminally ill patients, offering them anywhere from 50 percent to 90 percent of a policy's face value, depending on how long the patient is expected to live.

The two dozen new companies, which advertise in magazines across the country, have been praised by advocates for AIDS patients as providing, in many cases, the only means for victims to pay for health care and housing.

But now the practice is raising a host of questions, ranging from issues of privacy to violations of securities laws. In Washington, an association of state securities regulators said Wednesday that unsavory practices, which could victimize both AIDS patients and investors, were emerging in parts of the largely unregulated industry.

Some companies are arranging sales of the life insurance policies to investors, who then become the beneficiaries. Regulators say such deals are creating a kind of futures market in death, in which an investor can reap quick profits as soon as the patient in question dies.

"They are asking people to speculate on the life of another," said Glenn Pomeroy, the securities commissioner of North Dakota. "The amount of one's return would depend on how quickly the patient would die. Not only is this hunt for investors extremely offensive, this scheme is illegal."

Mr. Pomeroy said he had issued a cease-and-desist order against two companies that offered investors a "menu" of patients to choose from, with information on their white-cell counts, their infections and their life expectancy.

The practice, he said, violates state securities laws because the transactions amount to sales of securities and are being conducted by people not licensed to sell securities.

At Wednesday's news conference, Lewis Brothers, the president of the North American Securities Administrators Association, the national organization of 50 state securities regulators, said the sales to investors by some companies might be misleading investors about the value of what they were buying.

For example, the regulatory system cannot verify the accuracy of

Weyerhaeuser Will Buy Timber Mills From P&G

Compiled by Our Staff From Dispatches

CINCINNATI—Froster & Gamble Co. said Thursday it had agreed to sell part of its pulp and timber business to Weyerhaeuser Co. for \$600 million.

The sale includes pulp mills in Grande Prairie, Alberta, and Oglethorpe, Georgia; sawmills in Grande Prairie and Grande Cache, Alberta, and in Barnesville, Georgia, and 175,000 acres (70,000 hectares) of Georgia timberland.

Edwin L. Artzt, P&G's chairman and chief executive, said Weyerhaeuser would supply P&G with pulp from the mills sold in the deal.

After announcement, Standard & Poor's Downgraded Weyerhaeuser's senior debt to A from A+, and Moody's Investor Service lowered its rating to A2 from A1. S&P said that Weyerhaeuser's debt usage already was at its highest level in 12 years, although the additional debt would not be overly burdensome.

P&G announced in March that it would sell its pulp and timber units to focus on core consumer-products businesses.

P&G said Thursday it was reviewing proposals from potential buyers for the rest of its pulp and timber business. *(Bloomberg, AFX)*

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The New York Times

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits		Key Money Rates	
London 100	1.520	1-month	3 1/2-3 3/4	3-month	4 1/2-4 3/4
Paris 100	1.485	6-month	3 3/4-3 1/2	6-month	4 3/4-4 1/2
Frankfurt 100	1.475	1-year	3 1/2-3 3/4	1-year	4 1/2-4 3/4
Geneva 100	1.475				
Stockholm 100	1.475				
Oslo 100	1.475				
Amsterdam 100	1.475				
Brussels 100	1.475				
Madrid 100	1.475				
Barcelona 100	1.475				
Porto 100	1.475				
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MARKET DIARY

Stocks Edge Lower On Bush Worries

NEW YORK — Blue-chip stock prices edged lower on Thursday as investor doubts grew that George Bush, his favored candidate for president, could revive his campaign.

On Wall Street, the Dow Jones industrial average slipped 2.17 points, to 3,304.89. Falling issues on the New York Stock Exchange numbered gainers by about a 9-7 ratio as volume rose to 183.39 million shares from the 152.75 million traded on Wednesday.

The Nasdaq over-the-counter index edged up 0.25, to 567.86, and Standard & Poor's 500-stock gauge was up 0.07 at 418.26. Analysts said investors were concerned that a victory by the Democratic Party in the November presidential election would lead to higher taxes and to policies that were tough on corporations.

"If Bush doesn't start making headway in the polls soon, stocks are in trouble," said Thomas Callahan, senior vice president of U.S. equities at Yamaichi International (America).

If Governor Bill Clinton of Arkansas prevails in the election, he is expected to try to raise taxes. "Higher tax rates would cause a sell-off in the stock market," said John Silva, chief economist at Kemper Financial Services.

Mr. Clinton is also known to be considering increased control over the pharmaceuticals industry, while his running mate, Senator Al Gore of Tennessee is expected to seek pollution-control restraints. Mr. Silva said Mr. Gore's interests in ecological matters could hurt energy, automobile and chemical companies.

One bright note for the stock market was a recovery in bank stocks on Thursday, following concerns that President Fernando Collor de Mello of Brazil would be impeached.

Chicago was the most-active New York Stock Exchange issue, up 1/4 at 174. It benefited from a ratings upgrade by Merrill Lynch. Bristol-Myers Squibb followed, tumbling 2 1/2 to 66 1/2 after Smith Barney downgraded its rating on the drug company and lowered its earnings estimates.

Wells Fargo rose 1/4 to 69 1/4. A group controlled by the philanthropist Walter Annenberg said it held a 5.3 percent stake in the bank for investment purposes. (UPI, Bloomberg, AP, Reuters)

DOLLAR: Approaching a Low

(Continued from first finance page) Wednesday. It also fell against the Swiss franc, dropping to 1.2877 francs from 1.3075. The dollar was steady against the yen, partly thanks to the continuing selling of yen for marks. The dollar ended at 126.48 yen, little

actually damage foreign investment in the United States." But Mr. Bush is also an unsettling factor in the market because no one quite knows what his second-term policy would be.

"The market is looking for him to come out of hiding in his acceptance speech and make himself a real player in the election," said John Vincent, a vice president in Chemical Bank's foreign exchange department.

Mr. Vincent warned that if that does not happen, the market will continue in turbulence, not because of any special fear of Mr. Clinton but because of the uncertainty that comes from two presidential candidates still defining themselves and possibly leaving the nation adrift until they do.

Sale Talk Boosts Banca Commerciale

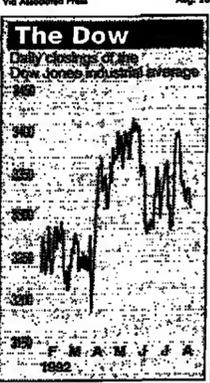
MILAN — Shares in Banca Commerciale Italiana SpA jumped 5.8 percent on Thursday after a report that some leading industrialists were studying a plan to buy the state's 57 percent stake in the bank.

But Mediobanca SpA, the merchant bank reported to be putting the deal together, denied that it was involved in such a project, government regulators said.

In a country where confrontations between the state and the private sector are often bitter, such a proposal involving a large state bank would be revolutionary, analysts said.

"It would be colossal," said Massimo Verdini, an analyst at Pastorini & Partners. "BCI in private hands would open a whole new page in Italian industrial history."

The Il Sole/24 Ore financial daily reported that Mediobanca, a merchant bank that brokers Italy's large industrial deals, was putting a plan. The stock market regulator Consob, concerned by the sharp movement in BCI shares, said Mediobanca had told Consob that it was not involved. Most of its main shareholders include Fiat SpA, Pirelli SpA and Olivetti SpA, was unavailable for comment.



NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Close, and Change.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Close, and Change.

NYSE Diary

Table listing NYSE Diary with columns for Stock Name, Close, and Prev.

AMEX Diary

Table listing AMEX Diary with columns for Stock Name, Close, and Prev.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Stock Name, Close, and Prev.

Table titled 'Dow Jones Averages' showing Open, High, Low, Last, and Chg. for various indices.

Table titled 'Standard & Poor's Indexes' showing High, Low, Close, and Chg. for various sectors.

Table titled 'NYSE Indexes' showing High, Low, Close, and Chg. for various sectors.

Table titled 'NASDAQ Indexes' showing High, Low, Close, and Chg. for various sectors.

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Table titled 'Dow Jones Bond Averages' showing Class and Chg. for various bond categories.

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Table titled 'NYSE Most Active' showing Volume, High, Low, Last, and Chg.

Table titled 'NYSE Diary' showing Stock Name, Close, and Prev.

Table titled 'AMEX Diary' showing Stock Name, Close, and Prev.

Table titled 'NASDAQ Diary' showing Stock Name, Close, and Prev.

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Table titled 'Financial' showing various financial futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Grains' showing various grain futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Livestock' showing various livestock futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Cattle' showing various cattle futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Pork' showing various pork futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Hogs' showing various hog futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Soybeans' showing various soybean futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Wheat' showing various wheat futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Corn' showing various corn futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Soybean Meal' showing various soybean meal futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Soybean Oil' showing various soybean oil futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Cotton' showing various cotton futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Wool' showing various wool futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

Table titled 'Sugar' showing various sugar futures contracts with columns for Class, High, Low, Prev. Close, and Chg.

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Table titled 'REVERSE STOCK SPLIT' showing Stock Name, Split, and Date.

Table titled 'STOCK SPLIT' showing Stock Name, Split, and Date.

Table titled 'AMERICAN BANK CT' showing various bank stock prices.

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Time Warner Settles Viacom Suit

NEW YORK (Reuters) — Viacom International Inc. and Time Warner Inc. said Thursday they had settled all disputes arising from an antitrust lawsuit filed in 1989 by Viacom and its Showtime Networks Inc. unit against Time Inc. Home Box Office Inc., American Television and Communications Corp. and Manhattan Cable Television.

They agreed on wider distribution of Showtime and the Movie Channel on Time Warner's cable systems; the purchase of Viacom's Milwaukee cable system by Time Warner; a cash payment to Viacom; a pact for joint marketing campaigns by Showtime and HBO; a rise in advertising purchases by Time Warner companies on Viacom's MTV Networks over the next five years; and a license between MTV Networks and the Warner Music Group for showing music videos on MTV and VH1, among others.

William Taylor, FDIC Chief, Dies

WASHINGTON (AP) — William J. Taylor, 53, chairman of the Federal Deposit Insurance Corp., died Thursday following colon surgery last week, his office said. Vice Chairman Andrew C. Howe will serve as acting chairman until a replacement is selected. The agency provides banks with insurance protection to cover deposits.

Chicago Lawyer Is Named to SEC

CHICAGO (AP) — President George Bush has nominated a Chicago securities lawyer, James M. Reum, to a seat on the Securities and Exchange Commission. The nomination is subject to confirmation by the Senate.

Talks With Pilots on TWA Deal Stall

NEW YORK (AP) — Talks have broken down between Trans World Airlines Inc. and its pilots over a buyout intended to allow the carrier to emerge from bankruptcy court as a viable airline. The pilots have been a key holdout, along with the federal agency that guarantees pensions, to a deal that would turn control of the carrier over to creditors and unions and oust its chairman, Carl C. Icahn.

GM Layoffs Push Up Jobless Claims

NEW YORK (IHT) — New claims for unemployment insurance, reported Thursday by the U.S. government, continued to reflect a stagnant economy despite distortions caused by summer vacation layoffs at General Motors Corp. During the week ending Aug. 8, the Labor Department said, new claims increased by 71,000 to 474,000, but excluding the 74,221 claims filed in GM's home state of Michigan, the national level showed little change.

Ex-Merrill Lynch Analyst Is Indicted

NEW YORK (AP) — A former junk-bond analyst at Merrill Lynch and Co. and his college friend were indicted Thursday in an alleged insider trading scheme that netted more than \$1 million. Edward L. Scheer, of Houston, and Ellis J. Sretzitz, a furniture company executive from Virginia, were charged with conspiracy, wire fraud and bribery.

For the Record

PacTel Corp., a unit of Pacific Telesis Group, said the Spanish government had awarded a national paging license to a group in which a PacTel subsidiary has a 17.5 percent indirect interest. (Bloomberg)

Ketchum Communications said Thursday it had discussed the possibility of a merger or acquisition with Ayer Inc. in an effort to expand its advertising business in New York. (AP)

Navistar International Corp. of Chicago, the leading U.S. maker of heavy trucks, posted a third-quarter loss of \$115 million. (AP)

WORLD STOCK MARKETS

Table titled 'WORLD STOCK MARKETS' showing stock prices for various international markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Sydney, Tokyo, Zurich, and Toronto.

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Table titled 'U.S. FUTURES' showing futures prices for various commodities including Grains, Livestock, Metals, and Financial.

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Ericsson Profit Beats Expectations

Compiled by Our Staff From Dispatches
STOCKHOLM — L.M. Ericsson AB reported Thursday a 39 million kronor (\$11.1 million) pretax profit for the first half of 1992, a large drop from the previous year but above expectations. Analysts had been expecting a pretax loss of about 245 million kronor for Ericsson, whose sales in the half fell to 20.31 billion kronor from 22.46 billion. In the first half of 1991, the company earned 1.78 billion kronor before taxes. The semiannual result reflected a 363 million kronor loss in the first quarter, when the company suffered from recessions in its major markets. One

analyst, Gunnar Andersson at Svenska Handelsbanken, attributed the second-quarter turnaround to cost reductions, including job cuts. In the latest half, orders increased 24.2 percent, to 26.77 billion kronor. But Lars Ramqvist, the president, said Ericsson has yet to see a direct recovery in business conditions. "Accordingly, prior projections regarding continued low income for the full year remain unchanged," Ericsson said. Its pretax profit was 1.6 billion kronor last year. (Reuters, Bloomberg)

£1 Billion of U.K. Debt for Sale

Compiled by Our Staff From Dispatches
LONDON — The British government said Thursday it would seek to raise about £1 billion (\$1.93 billion) through the sale of debt that it holds in recently privatized companies. The Treasury said it had written to British Telecommunications PLC and a number of other privatized companies outlining proposals for a sale of the loans it made to them when they were owned wholly by the state.

The debt would be sold by auction to the highest bidder but would also be available for repurchase by the company concerned, a spokesman added. The Treasury holds £3.74 billion of debt in privatized companies in a variety of forms with many loans carrying high interest payments. Overall, the government, which is expecting to run a budget deficit of around £28 billion this year, has budgeted income of £19 billion from its privatization program during the next three years. That income, much needed with public funds stretched by the recession, would come from debt and equity sales and from the expected privatizations of British Coal Corp. and British Rail. The Treasury said bidding would take place toward the end of September. If £19 billion is raised, it would bring the total funds raised by privatization to more than £50 billion since Margaret Thatcher, the prime minister, began selling state industries in 1979. The merchant bank Baring Brothers has been appointed to advise the government on the best way of selling the loans. Analysts pointed out that BT has been reducing its debt burden in recent years and might look upon the government's debt sale program as a lower-cost method of cutting debt. But they noted that BT might encounter some stiff competition for its own debt from third party bidders. The Treasury said bidding would take place toward the end of September. (AFP, APX)

Investor's Europe

Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	111.30	111.90	-0.54
Brussels	Stock Index	5,461.70	5,426.95	+0.64
Frankfurt	DAX	1,513.06	1,524.72	-0.76
Frankfurt	FAZ	602.40	606.38	-0.66
Helsinki	HEX	634.30	648.74	-2.23
London	Financial Times 30	1,757.50	1,765.60	-0.46
London	FTSE 100	2,359.40	2,363.50	-0.17
Madrid	General Index	206.10	208.27	-0.08
Milan	MIB	796.00	798.00	+0.89
Paris	CAC 40	1,724.16	1,734.21	-0.58
Stockholm	Affarsvaerden	863.64	874.97	-1.29
Vienna	Stock Index	356.29	354.05	+0.63
Zurich	SBS	612.80	618.70	-0.95

NYSE

Thursday's Closing
 Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	High	Low	Open	Close	Change
IBM	111 1/4	111	111 1/4	111 1/4	+1/4
Microsoft	41 1/4	41	41 1/4	41 1/4	+1/4
Apple	41 1/4	41	41 1/4	41 1/4	+1/4
Oracle	41 1/4	41	41 1/4	41 1/4	+1/4
Novell	41 1/4	41	41 1/4	41 1/4	+1/4
Lotus	41 1/4	41	41 1/4	41 1/4	+1/4
Intuit	41 1/4	41	41 1/4	41 1/4	+1/4
Visa	41 1/4	41	41 1/4	41 1/4	+1/4
MasterCard	41 1/4	41	41 1/4	41 1/4	+1/4
Amex	41 1/4	41	41 1/4	41 1/4	+1/4
Discover	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of America	41 1/4	41	41 1/4	41 1/4	+1/4
Wells Fargo	41 1/4	41	41 1/4	41 1/4	+1/4
Citigroup	41 1/4	41	41 1/4	41 1/4	+1/4
JPMorgan	41 1/4	41	41 1/4	41 1/4	+1/4
Goldman Sachs	41 1/4	41	41 1/4	41 1/4	+1/4
Morgan Stanley	41 1/4	41	41 1/4	41 1/4	+1/4
JP Morgan Chase	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of New York	41 1/4	41	41 1/4	41 1/4	+1/4
Chase Manhattan	41 1/4	41	41 1/4	41 1/4	+1/4
First City	41 1/4	41	41 1/4	41 1/4	+1/4
Wachovia	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of Montreal	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of Toronto	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the West	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of California	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of Commerce	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of East Texas	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Middle West	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the North	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Northwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Southwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the West Coast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Pacific	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Mountain States	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South Atlantic	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Southeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Central States	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Great Lakes	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Upper Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Lower Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Northeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the New England	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South Atlantic	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Southeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Central States	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Great Lakes	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Upper Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Lower Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Northeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the New England	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South Atlantic	41 1/4	41	41 1/4	41 1/4	+1/4
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Bank of the Great Lakes	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Upper Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Lower Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Northeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the New England	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South Atlantic	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Southeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Central States	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Great Lakes	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Upper Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Lower Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Northeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the New England	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the South Atlantic	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Southeast	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Central States	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Great Lakes	41 1/4	41	41 1/4	41 1/4	+1/4
Bank of the Upper Midwest	41 1/4	41	41 1/4	41 1/4	+1/4
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BHP Bid Pressures Brewers

AGENCE FRANCE PRESSE
SYDNEY — Broken Hill Pty's 1.5 billion Australian dollar (\$1.09 billion) offer for a 32.2 percent stake in Foster's Brewing Group Ltd. seems to have put the international beer giant right where BHP wants it: up for grabs by the highest bidder, analysts said Thursday.

BHP's offer was to buy 720.31 million shares for the cash plus scribbles of a subsidiary of International Brewing Holdings Ltd. Receivers for the company valued the bid at 2.39 dollars a share, 32.8 percent above the 1.80 dollar closing price on Thursday, when the shares rose 7 cents. BHP, which is owed 1 billion dollars by IBH, also offered 60 million dollars for options to buy 599 million shares at 2.19 dollars.

If BHP, the largest listed company in Australia, were to acquire all the shares involved, it would have about 43 percent of Foster's. Interested parties have up to mid-October to make competing bids.

Analysts said other international companies that might be interested are Anheuser-Busch Cos.; Asahi Brewing Ltd. of Japan, which owns nearly 20 percent of Foster's; Guinness PLC and Bass PLC; and Heineken NV, S.A. Brewing Holdings Ltd., a small Australian brewer, suggested a merger in the spring.

BHP, a mining and industrial conglomerate, said it did not plan to add brewing to its operations but would hold the Foster's stake until its full value was realized before selling.

Analysts said Foster's was one of the few truly international brewers, holding a major share of the Australian, Canadian and British beer markets.

Support for Japan Property?

Compiled by Our Staff From Dispatches
TOKYO — Japan's major commercial banks will set up a joint company to buy up to 3 trillion yen (\$24 billion) worth of real estate held as collateral for bad loans, the Kyodo news agency said Thursday.

The Bank of Japan is expected to provide funds for the company's purchases of real estate through the participating banks, Kyodo quoted government officials as saying.

The officials said the joint land-purchase company would be capitalized at about 10 trillion yen and would be owned by major commercial and long-term credit banks.

The company is expected to buy properties from banks and nonbank financial institutions at about half the government's officially posted prices for the properties, the officials said. It also will consider buying nonbank credits backed by real estate properties at about 60 percent of face value, the officials said. The value of real estate properties held as collateral for bad loans is estimated at about 5 trillion yen, Kyodo said.

The officials said the creation of a land-purchase company would be the centerpiece of an economic stimulation package to be worked out by the government at the end of August.

Finance Minister Tsutomu Hata, in announcing measures on Tuesday to rescue troubled financial institutions, suggested cooperation in liquidating real estate held by the institutions as collateral for nonperforming loans.

On Wednesday, Yasushi Mieno, the Bank of Japan governor, said he would support the idea of such a joint company but made no firm commitment on financial assistance for the plan.

Separately, a government agency said Japan's overall household spending dropped 3.2 percent in June from a year earlier, the sharpest decline in 19 months. Household spending averaged 313,874 yen in June, the Management and Coordination Agency said.

(AFP, Bloomberg)

Nepotism Alleged in Seoul Contract

AGENCE FRANCE PRESSE
SEOUL — President Roh Tae Woo's government awarded a multibillion-dollar project Thursday to a consortium led by a business group headed by an in-law of Mr. Roh's.

The Communications Ministry selected Taehan Telecom, led by Sunkyong Group, as licensee for the country's second mobile telephone system, which is expected to generate sales worth \$3 billion a year by the turn of the century. The new system will compete with the present state monopoly, Korea Mobile Telecommunications Corp.

Mr. Roh's daughter is married to one of the sons of Sunkyong's founder, Choi Jong Hyon. The son is known to have been leading Sunkyong's efforts to win the project.

The government's move to select the licensee before the end of Mr. Roh's term in February touched off strong criticism, both from the opposition and from within the ruling camp, over suspected nepotism.

The ruling Democratic Liberal Party's presidential candidate, Kim Young Sam, reportedly urged Mr. Roh to put off the selection until after the new government took office to head off further controversy before the December presidential election.

The opposition immediately cried foul, with Kim Dae Jung, presidential candidate of the Democratic Party, calling for the cancellation of the selection.

Communication Minister Song Eun Jong said at a press conference that Taehan Telecom had won the highest marks in the final screening, beating two other consortia, led by South Korea's Kolon Industries business group and the state-run Pohang Iron & Steel Co. Taehan Telecom includes Sun-

young's Ynkong Ltd., 12 other local companies and three foreign concerns, GTE Corp. of the United States, Britain's Vodafone Ltd. and Hong Kong's Hutchison Telecom Ltd.

In an apparent move to avoid further controversy over the selection, Mr. Song revealed the standards used in the process, stressing that a fair choice had been made.

Initial paid-in capital of Taehan Telecom will be around \$238 million, which will be doubled by 1993, an official of the consortium said.

Funds Growing Wary Of Hong Kong Boom

By Seth Faison
New York Times Service

China's stock markets are calm again after last week's rioting and wild price swings. That is good news for investors in mutual funds who have sunk money in Hong Kong, where a much larger stock market is both jittery about news from Beijing and eager to ride the wild economic growth that is infecting southern China.

But the rioting in Shenzhen, Hong Kong's neighbor, provoked by an avalanche of demand for applications for new shares, seems to have lanced the growing bubble of enthusiasm among international fund managers for the recent boom in Hong Kong. "China is still very unpredictable," said Elizabeth Tran, a managing director at Prudential Asia in Hong Kong. "The Hong Kong market is vulnerable to changes in sentiment simply because it has gone up so much already this year."

Hong Kong's benchmark Hang Seng index dropped 138.83 points Thursday, or 2.47 percent, to end at 5,481.61. The index has fallen about 11 percent since it peaked July 16 at 6,162.53, which marked a 43 percent gain since the beginning of the year, a period when many markets have faltered.

Many analysts expect long-term growth in Hong Kong's market to be inevitable, but many are now freshly conscious of its short-term limitations. A glut of new issues and the effects of Japan's unfolding stock market plunge are now mixed with concerns about overvaluations caused by this year's gains.

Ms. Tran said she found it "terrifying" that so many international funds had poured into Hong Kong, because that added to the market's volatility and seemed to be based on naive assumptions about China. "If things turn the other way, we could see a sudden outflow of cash toward Japan," she said.

Earlier this year, Hong Kong was looking bright indeed. The colony accounts for 60 percent of outside investment in China, and the argument went, with China's industrial output up a stunning 19 percent over the first seven months of this year, economic growth was a rising tide lifting nearly all of Hong Kong's financial boats.

With Japan's market headed down, Hong Kong's go-go attitude about China looked almost irresistible. Then came the riots. "This is a bump in the road," said Dana Martin, who manages Fidelity's Pacific Basin Fund. He is not shifting the 22 percent of his fund that is invested in Hong Kong stocks, and he said the unrest had not changed his fundamental optimism.

Investor's Asia

Table with columns for Hong Kong Hang Seng, Singapore Straits Times, and Tokyo Nikkei 225. Includes line graphs for each index and a table of exchange rates for various Asian markets.

Very briefly:

- Petroleum Authority of Thailand is to sell 15.4 percent of its wholly owned PTT Exploration & Production subsidiary to the public; at the recommended price of between 23 and 27 baht a share, the 40 million share issue would raise about 1 billion baht (\$39.5 million).
• Kumagai Gumi (Hong Kong) Ltd. has arranged a 496 million Hong Kong dollar (\$64.1 million) placement of 58.4 million new shares, representing 17 percent of its enlarged capital; half the new stock is being bought by Cheung Kong Holdings Ltd., Li Ka-shing's flagship company.
• Shanghai Chlor-Alkali Chemical Co. has issued B shares, which are available only to foreigners, worth 240 million yuan (\$44 million), at a price of 52.5 yuan per share; the shares account for 40 percent of the total value of B shares issued in Shanghai so far this year, the China Daily said.
• Taiwan exporters received \$6.8 billion in orders in July, 7.5 percent above the year-earlier month; orders had slowed in recent months because of the weak global economy and the rise of the Taiwan dollar.
• Benguet Corp., the big Philippine gold producer, blamed low world prices and a higher peso for a 61 percent plunge in earnings for the first half of the year, to \$1.78 million.
• Hongkong & Shanghai Hotels, a luxury hotel, real estate and restaurants concern, said its net profit rose 27 percent to 159 million Hong Kong dollars in the year's first half.
• China's steel output in January through July grew to 45.29 million tons, a sharp, 15.2 percent increase from the first half of 1991.

Reuters, Bloomberg, AFP, AFX, UPI

COMPANY RESULTS

Table of company results for various countries including Britain, Germany, Japan, Korea, Spain, United States, and others. Columns include company names, revenue, and profit.

INTERNATIONAL FUNDS

Aug. 20, 1992

Large table listing various international funds, their managers, and performance metrics. Includes columns for fund names, managers, and other details.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS BASEBALL

Hershiser Outduels Gooden With Little At Stake but Pride

By Joe Sexton
New York Times Service

LOS ANGELES — The right-handers, the starters with illustrious pasts and reconstructed shoulders, took the mound with more modesty than menace. Orel Hershiser versus Dwight Gooden was a classic in name only.

NATIONAL LEAGUE

by Gooden. He pitched respectably and lost, as the New York Mets performed predictably at the plate and were defeated, 2-1, Wednesday. It was Gooden's first career loss at Dodger Stadium. He entered the game with a 6-0 record and a 0.99 earned-run average through 1991. Hershiser, with his 4.00 ERA in 1992, defused the Mets with an ease right out of 1988.

He limited them to six hits in eight-plus innings of restrained dominance, his four strikeouts achieved more with deception than power, his escapes fashioned via ground outs.

The most significant tension the Mets created centered on whether they might ever score on their road trip through California. They ran the shutout stretch to 17 innings before scoring off Hershiser in the ninth. Bobby Bonilla, his fractured rib healed after two weeks on the disabled list, homered to start the inning.

his over 8 1-3 innings, striking out six and walking two.

Giants 9, Cubs 1: Bill Swift won for the first time in five starts and Mark Leonard broke a third-inning tie with a two-run homer as San Francisco beat visiting Chicago 9-1.

Phillies 9, Reds 3: Rookie Ben Rivera won his third straight start, and Dave Hollins, Mariano Duncan and Darren Daulton hit two-run homers as Philadelphia won at home over Cincinnati, 9-3.

Cardinals 12, Astros 1: Ray Lankford led a 17-hit attack with four hits and four runs batted in to back Rhee Cormier's four-hitter as St. Louis routed visiting Houston.

But now, Lurie is said to have joined Vincent's opponents, who have challenged the commissioner on issues including his role in labor relations, his realignment of the National



Orel Hershiser, on his way to beating the Mets' Dwight Gooden.

Yankees Give A's Another Beating

United Press International

NEW YORK — The Oakland Athletics flew into New York looking to pad their lead in the American League West with a three-game series against the last-place Yankees but now find themselves on the verge of being swept out of town.

AMERICAN LEAGUE

pitchers had an off day, our hitters had an off day. There's not much to say. I just wasn't much of a game."

Neither was Tuesday night's 7-3 loss at Yankee Stadium.

Scott Kamieniecki held Oakland to three hits in seven innings, and Don Mattingly went 4-for-5 as the Yankees outthrew the A's 18-5 and handed Oakland its most decisive loss of the season.

"They've turned it up a little bit against us," said losing pitcher Dave Stewart, who suffered his third straight loss, allowing four runs and eight hits in five innings.

Kamieniecki didn't allow a runner past first base and carried a no-hitter into the seventh inning when Jose Canseco — a strikeout victim in his first two at-bats — blasted a

1-0 pitch over the fence in left for his 21st homer.

Harold Baines followed with a double, and Mark McGwire's single brought the A's within 6-2. However, Kamieniecki avoided further trouble by getting Carney Lansford to hit into a double play and Walt Weiss to ground out.

The Yankees put any thoughts of an Oakland comeback to rest by scoring four runs in the seventh and four more in the eighth.

Press reported:

Brewers 10, Blue Jays 5: Greg Vaughn, struggling at the plate most of the season, homered and drove in five runs as Milwaukee won at home and pulled within 5½ games of Toronto.

Indians 5, Twins 1: Charles Nagy scattered eight hits for his ninth complete game as the Cleveland Indians beat Minnesota 5-1, sending the visiting Twins to their fourth consecutive loss.

White Sox 3, Rangers 2: Frank Thomas hit a two-run double with two outs in the eighth inning as Chicago won at home, racking up its fourth straight victory and 16th in 21 games.

Mariners 10, Orioles 8: Bret Boone made history by becoming part of the first three-generation family to play in the majors, and Edgar Martinez hit his first career grand slam as Seattle won its fourth straight, in Baltimore.

Boone, 23, singled home a run in his first trip to the plate and wound up 1 for 4 with two runs scored. He is the grandson of Ray Boone, who played in the majors from 1948-60, and son of Bob Boone, a major-league catcher from 1972-90.

Angels 3, Red Sox 2: In Boston, Gary DiSarcina's two-run loop single with two outs in the ninth saved California starter Jim Abbott from another hard-luck loss.

Abbott was one out away from losing another game due to a lack of support when DiSarcina looped a 3-2 pitch from Jeff Reardon into center field, scoring Ken Oberkfell and Lee Stevens.

Royals 7, Tigers 2: Kevin Appier pitched two-hit ball for seven innings, struck out six and walked three as Kansas City, playing at home, sent Detroit to its third loss in 12 games.

Golf's Real Victory Lies In the Defeat of Defeat

By Jaime Diaz
New York Times Service

NEW YORK — When 35-year-old Larry Larenti made the U.S. Senior Open his first victory last month, Gary Player smiled solemnly and explained what only those who know the game's capricious heart truly understand.

"In golf," said Player, the winner of more than 100 tournaments, "the best player usually doesn't win."

It happens so seldom that Jack Nicklaus has been judged the greatest player ever after winning 70 times to more than 600 tournaments.

Golf is more about defeat than it is about victory, so we should feel fortunate that the players who won this year's four major championships were of the quality of Fred Couples (Masters), Tom Kite (U.S. Open), Nick Faldo (British Open) and Nick Price (PGA Championship).

Although all but Faldo are first-time major winners, each is good enough to have felt the sting of Player's axiom.

Couples, when he is in his tranquil flow, probably has more ammunition at his command than any player in the world. Kite has been both the doggedly methodical and ingeniously adaptable in making himself the most consistent player of the last 20 years. Price has the kind of wrinkle-free swing that should endure as he gets a firmer grasp on the game's more subtle challenges.

But what we shouldn't forget is how easily the year's top four could have been Craig Parry, Gil Morgan, John Cook and Jeff Maggert, who were fourth-round leaders in the four majors.

If you doubt that any of those four had the ability, guts or pedigree to win, consider Laorenti, who on a day when he should have been paralyzed with fright, easily puffed on cigars as he beat Jim Colbert by four shots and Nicklaus, Player, Al Geiberger and Dave Stockton by five.

The longer you're around top pro golfers, the more you come to believe there really aren't any upsets.

Yes, there is a difference in the skill level among the world's best, but it's smaller than in other sports, harder to discern.

When Michael Jordan matched up with Clyde Drexler in the National Basketball Association finals, it was clear who was better. When Faldo plays head to head with Couples, even the scorecard is inconclusive. It is something we won't really know until the end of the decade.

Golf is such a delicate balance of the physical and the mental that it often comes down to intangible things — who has temporarily found the perfect swing key, who is most at peace with himself, who gets the crucial break on Thursday or Friday when the spirit is ready to sag.

THE VERY BEST of their eras find a way to insulate themselves on the proceedings even when the intangibles are working against them. Still, that is getting more difficult to do.

Bobby Jones was so much better than everyone else that he won the four championships he entered in 1930 to accomplish the Grand Slam.

Ben Hogan took the same approach with approximately the same results in 1953, Nicklaus early in his career began to play an abbreviated schedule that focused on the majors, and he won 18 professional majors.

Faldo has taken a similar road, determined that major titles are the most honest standard of how a golfer should be measured by history. He has what Johnny Miller calls "intention" — willingness to make his life an arduous journey toward greatness.

This year, Faldo was a combined 18-under-par in the four majors. The next best among players to make the cut in all four was Price, at 5-under.

But as well as he played, Faldo won only one of the tournaments. Indeed, as he has become more of a virtuoso, Faldo has also become more fatalistic. He understands Player's axiom.

"My game just went off a little bit, there was really nothing wrong," said Faldo of a third-round 76 that cost him the PGA. "The human element came in."

That element, and all the others that seem to baffle even the best golfers, is why we shouldn't bemoan the state of the game when the best players don't win. We should simply be grateful when they do.

Giants' Lurie Said to Oppose Vincent in Sale Bid

By Murray Chass
New York Times Service

NEW YORK — Bob Lurie, eager to get approval for the \$110 million sale of his San Francisco Giants, has agreed to support the effort of a group of owners to oust baseball's commissioner, Fay Vincent, in exchange for their support of the Giants' move to St. Petersburg, Florida, some owners said.

In the campaign being waged against Vincent by a group of owners led by Jerry Reinsdorf of the Chicago White Sox and Peter O'Malley of the Los Angeles Dodgers, Lurie had been among owners supporting the commissioner.

But now, Lurie is said to have joined Vincent's opponents, who have challenged the commissioner on issues including his role in labor relations, his realignment of the National

League and his allocation of expansion money between the two leagues.

Lurie, through a spokesman, denied that he had made any kind of deal linking Vincent's status and the Giants' proposed move, but three owners said Wednesday that they had been told by other owners that Lurie had agreed to sign a letter making a half-dozen changes against Vincent and calling for his resignation. If he doesn't resign, the owners suggest in the letter, he could face dismissal.

Vincent declined to comment on the developments but said that no signed letter has been presented to him. None of the owners who acknowledged having seen a copy of the letter would disclose the specific changes.

But others said two points raised dealt with Vincent's credibility and his failure to maintain good relationships with the television networks.

Two owners who said they had seen the letter said the accusations it contains are false.

Lurie, who has kept a low profile since reaching an agreement on Aug. 7 to sell the Giants to a Florida group, refused to be interviewed.

The Giants' move requires the approval of the commissioner, 11 of 14 National League clubs and eight of 14 American League clubs. Two months ago, Vincent gave Lurie permission to explore all of his options, but he has not indicated whether he would approve the move.

At a meeting in Chicago on Wednesday, AL owners held a general discussion of the Giants' sale and possible transfer and what it could mean to the league. The owners took no position on the Giants' sale but, in an unofficial vote, unanimously approved the sale of the Detroit Tigers to Mike Ilitch.

BOOKS

THE GREAT DEEP:

The Sea and Its Thresholds

By James Hamilton-Paterson. 300 pages. \$22. Random House Inc., 201 East 50th Street, New York, New York 10022.

Reviewed by Michael Kernan

THE Pacific: "a wasteland which, even five years ago, would have teemed with dolphin and porpoise and oar stretches to the horizon unbroken by anything other than the occasional flying fish. To see the world's greatest ocean suddenly empty within a few years is to be filled with a foreboding which cannot be dispelled."

The British novelist and explorer James Hamilton-Paterson, who has been called the Bruce Chatwin of the high seas, seems to have set out to write a long meditation on the deep, its nature and moods, its effects on people. His book gradually turns into a quietly furious indictment of a fishing industry caught up "in a mad scramble to cut its own throat" and of all the other mindless human abuses of our oceans.

Not since Rachel Carson have I heard such eloquence, such passion for the sea and everything it means to us. I was lucky enough to read the book while crewing on a sailboat off the coast of Maine, but you could be in Kansas and still feel the magic. The very words, "the Deep," the author says, exert a tidal pull

on our darker emotions. "Stately, funereal, mysterious, it spoke ultimately of loss: a steep dark bulk, time's liquid correlative which gulps down objects, lives, all that was and will be."

Framing the chapters is a chilling little story about a lost swimmer treading water in the trackless Pacific, his boat having drifted out of sight. The swimmer's reflections, panicky or fatalistic, on what lies beneath and about him flow gracefully into chapters about islands, reefs, wrecks and death.

Along the way the author touches on the history of sonar, the disputed nature of coral, the economics of Japanese seaside resorts, disappearing islands, the flat-Earth theory, how Mozart sounds under water, the parrot-fish fad in British fish-and-chips shops, and the threatened permanent loss by the human race of navigating skills. "Without extinction there is no evolution," he writes, "but the idea of bodies of knowledge becoming extinct seems quite as shocking."

Certainly Hamilton-Paterson himself does not have this trouble. He is full of lore. Rivers are tilted: Did everyone but me know that? The ocean surface is knobbled with dips and bulges, as instruments show. And this: "Fresh water is fatal to corals, which is why fringing reefs are always broken at river mouths."

Not all of this is pleasant reading by any means. The author has a touch of the ghoul in him. In the midst of a philosophic discussion of famous wrecks from the Titanic to the Arizona, he describes with

great precision what happens to a human body under deep-sea pressures. He speculates about the details of death for submariners trapped on the sea bottom.

There are wonderful chapters about William Beebe's bathyspheres and other "eyeball on a string" explorations of the deep, dating from Alexander the Great. Modern oceanographers, it seems, love to send down with their equipment an ordinary polystyrene coffee cup. "It comes back in miniature, a tiny white thimble."

And then: Why is it that we intuitively expect to find more advanced creatures in outer space, but less advanced ones (e.g., the Loch Ness monster) in the depths of the sea? "Astronauts have claimed close encounters with a Supreme Being, but never deep-sea divers."

Finally, Hamilton-Paterson presents a frightening picture of the fishing industry, "strip-mining the oceans" with unbelievable waste, devastating the ecology of the sea-beds themselves, creating an industrial pyramid of slaughter and destruction that ranks with the felling of our rain forests for the beef market. As always, he takes the larger view:

"The oceans have long been, and will long be, subjected to ruthless exploitation and even, in places, to ruin. It is not really the sea which is in recession, though, but wildness itself."

Michael Kernan, a former reporter for The Washington Post and now a free-lance writer residing in Baltimore, wrote this for The Post.

BRIDGE

By Alan Truscott

AN "accident" made it possible for two Texans, Bob Hamman of Dallas and Hemant Lall of Katy, to win the Life Master Pairs Championship in July at the American Contract Bridge League's Summer Nationals. They had been teammates four days earlier in Grand National playoffs, and Hamman, who has won eight world titles and 24 national titles, suggested that they play together in the Life Master Pairs if they had an "accident" — by which he meant early elimination from the team event.

This came to pass, and Lall won his first national title by a narrow margin.

On the diagrammed deal, Lall as East seized the opportunity to double North's Drury response of two clubs, which spoiled that North had game prospects in spades. This helped Hamman to lead a club against the eventual four-spade contract, and South took the king with the ace and led a diamond.

East won with the ace and rightly resisted the temptation to return a club. Instead he made the key shift to a heart, and the moment of truth arrived when the declarer played the ten and West the jack.

West took the heart ace and had to fail, giving Hamman and Lall a boost on their road to victory.

NORTH (D)
♠ K 10 8
♥ A 4 3
♦ Q J 10 6 3
♣ 8 4

WEST
♠ 8 2
♥ K J 8
♦ K 8 7 4
♣ Q 10 3 2

EAST
♠ 9 5
♥ 9 7 6 5
♦ A 5 2
♣ K J 9 7

SOUTH
♠ A Q J 7 4 3
♥ Q 10 2
♦ 8
♣ A 6 5

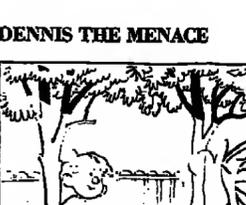
Neither side was vulnerable. The bidding: North Pass East South West 2♣ Pass 1♦ Pass 2♦ Pass 4♣ Pass

West led the club two.

DOONESBURY



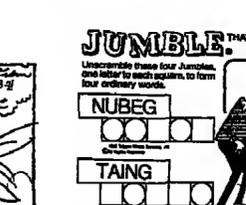
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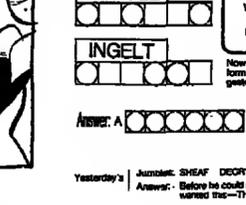
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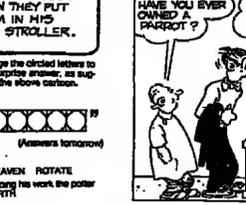
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PEANUTS



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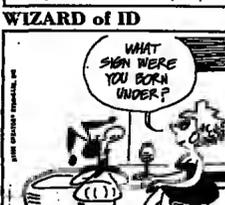
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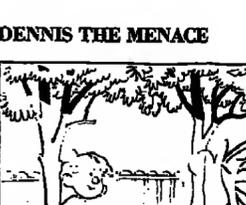
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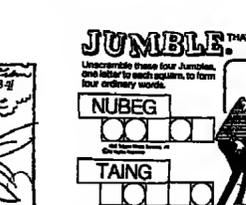
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PEANUTS



DENNIS THE MENACE



DENNIS THE MENACE



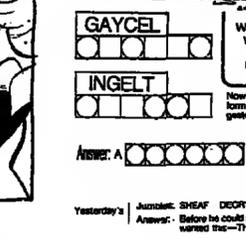
DENNIS THE MENACE



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DENNIS THE MENACE



REX MORGAN



REX MORGAN



REX MORGAN



REX MORGAN



REX MORGAN



REX MORGAN



REX MORGAN



REX MORGAN

DENNIS THE MENACE

DENNIS THE MENACE

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REX MORGAN

SPORTS ATHLETICS

Revenge, and Gold, For Moses Kiptanui

Agence France-Press
ZURICH—In hearing Moses Kiptanui tell it, setting his second world record over 3,000 meters in four days was not only sweet revenge, it was a piece of cake.
 "It was easy," the 20-year-old Kenyan said after smashing the record for the 3,000 meter steeplechase Wednesday night. "I ran the last lap easy."
 Kiptanui finished in 8 minutes, 2.08 seconds, improving the mark of 8:03.35 held by his compatriot, Peter Koech, for over three years.
 The run broke one of the toughest world records in athletics by an astounding margin. When Koech recorded his mark in Stockholm, he improved the record held by Henry Rono for 11 years by just five hundredths of a second.
 Kiptanui's feat was all the more impressive, coming just four days after he broke Said Aouita's 3,000 meter record in Cologne Sunday.
 The records compensated for his failure to make the Kenyan Olympic team, because of a foot injury.
 "When people went to Barcelona there wasn't a thing I could do about it," he said. "I had to train for world records because I knew there was no gold for me this year."
 Not quite. The Kenyan soldier's

reward for the record was a one kilogram gold ingot — presented by moneybags promoter Andreas Brügger as a bonus to any record breaker. Kiptanui also picked up around \$25,000 in cash.
 The post-Olympic bandwagon moves to Berlin Friday.
 Sergei Bubka, who has made his second home in Berlin and is seeking to avenge his failure at Barcelona, has announced he will try to set his 31st world record at the pole vault while Morocco's Khalid Skah is aiming to break the record for 10,000 meters.
 For Skah, a record could restore his reputation after a disputed win at the Olympics, where he was first disqualified for receiving assistance from a teammate before being reinstated as gold-medal winner.

Lewis vs. Christie?
 Carl Lewis took one look at the 100-meter field, saw Linford Christie there and proposed a last-minute change in the program of Friday's meet, The Associated Press reported from Berlin.
 Lewis was slated to run the 200, but he said Thursday he might enter the 100 to run against Christie, the Olympic champion from Britain. Organizers were to meet to decide if a change was possible.



Moses Kiptanui running toward his second world record this week.

Subcontinent Fed Up Being Subpar NFL Turns To Radio For Scores

The Associated Press
NEW DELHI — With more than a billion people in South Asia, you'd think somebody could win an Olympic gold medal. Even a silver.
 From all of the Indian subcontinent, home to one-fifth of the earth's population, only Pakistan's field hockey team came home from Barcelona with a bronze.
 In a region where hunger is still a problem, leisure sports take low priority. There is no popular sports culture, not much sports history and few heroes.
 Still, the dismal performance in Barcelona aroused national shame, inflamed public anger and aroused ferocious debates in parliaments and newspapers.
 Even before the athletes got back, India's sports minister suggested in Parliament a four-year moratorium on international competition to build a sports program that won't be a national embarrassment.
 But some commentators blame the politicians controlling the sports world, whom one newspaper described as "whiskey-swilling and philandering."
 "I do not have a magic wand to make our athletes win medals," Sports Minister Mamata Banerjee said.
 "We are not serious enough to do better at international meets," he added. India has about 5,000 "serious sports persons. Isn't this tragic

in a country of 850 million people?"
 India, Pakistan, Bangladesh and Sri Lanka lag far behind most countries in technique, temperament and government support. Sport is still a pastime, not a business.
 The nations of South Asia are among the poorest of the world, with per capita incomes ranging from \$170 to \$370. In India, the per capita expenditure on sports is less than 2 cents.
 "It is almost as if the seemingly endemic corruption and inefficiency of our system has so affected us that we have resigned ourselves to being failures," The Times of India newspaper said.
 On Wednesday, Banerjee presented to Parliament an "action program" designed to create more sports awareness, identify and train talented athletes and transfer more sports funds to private investment.
 Bangladesh, a nation of 111 million people, sent nine athletes to Barcelona. Its best performance was by a shooter who finished 45th. "We did not have the resources

to build a powerful team for winning medals in the Olympics," said Gias Kamal Choudhury, president of the nation's Olympic committee.
 In India, three schools in four have no proper playground or gymnasium. Just 10 percent of the 733,654 schools have received any funds for sports. Of the 4,718 colleges and 1,812 universities, only half have any sports facilities.
 India sent 39 athletes, 16 field hockey players and 23 coaches and officials to Barcelona. No one qualified for any final. The closest was 800-meter runner Shiny Wilson, who set a new Indian women's record but finished fourth place in the qualifying round.
 Its field hockey team, which has won 10 of the 12 Indian medals since it participated in the Olympics in 1900, finished seventh.
 "We suffer from tremendous inferiority complex," said Ashok Ghosh, chief of the Indian team. "We think the Americans, Europeans and others are superior."
 Sri Lanka, a nation of 17 million people, sent 11 athletes. Its only medal was a silver in the 100-meter dash by a runner who finished 71st out of 84.
 Pakistan, with 110 million people, sent 39 athletes to take part in field hockey, boxing, wrestling, judo, yachting and track and field.
 "We just don't have the money to groom athletes for Olympic competition," said Shamim Ahmed, a sports official in Islamabad.

NFL Turns To Radio For Scores

The Associated Press
HOUSTON — In a new attempt to put technology on the playing field, the National Football League will test to see if helmet radio transmitters can help offensive players overcome crowd noise and score more points.
 The quarterbacks and tackles of the Houston Oilers and New Orleans Saints will wear the transmitters Saturday during a preseason game at the Louisiana Superdome.
 "The owners voted to try this because they're so concerned with scoring, especially when you're inside the 20-yard line on the road and the crowd really makes a lot of noise," Oilers coach Jack Pardee said Wednesday. "It's only a matter of time before technology allows us to use something like this extensively."
 The device was used in the World League of American Football last season. The Oilers tried it during one practice in training camp and had problems. They will practice with it again this week. "We had some trouble that day in camp, but we sent them back and they did some modifications," equipment manager Gordon Barty said.

U.S. Aims to Serve Up A New 'Dream Team'

Reuters
NEW HAVEN, Connecticut — After naming Pete Sampras to complete the U.S. Davis Cup team, captain Tom Gorman said his lineup made for a "Dream Team" akin to the U.S. basketball squad that swept to an Olympic gold medal in Barcelona.
 Sampras will join John McEnroe, Jim Courier, the French and Australian Open champion, and Andre Agassi, the Wimbledon winner. The team will play Sweden next month in the semifinals.
 "In the world of tennis this is as close as we could get to a Dream Team," Gorman said by telephone from his Idaho vacation home. "We won't be beating people by 40 points, but this is a fantastic group of guys."
 "At the beginning of the year this is the team I wanted," McEnroe, who has more Davis Cup victories than any other American ever, is ranked 17th in the world. Sampras, the 1990 U.S. Open champion, is ranked third.
 Courier is the world No. 1 while Agassi is ranked sixth.
 Though he has never played with Sampras, McEnroe, in New Haven for the Volvo International tournament, figures they are the likely doubles team.
 Gorman concurred. "There is no reason they can't get used to each other in practice to play well enough to play," he said.
Top Seeds Gain in Indianapolis
 Top-seeded Jim Courier and third-seeded Boris Becker, both playing with renewed confidence, moved into the third round of the \$1 million RCA Championships, Reuters reported from Indianapolis.
 Courier beat France's Cedric Pioline 6-4 6-2 Wednesday. Becker posted a 6-4 6-4 victory over fellow German Markus Zöckle.
 Second-seeded Pete Sampras followed his victory last week in Cincinnati with a 6-0 6-1 drubbing of Stephanie Sausoni of France.

SIDELINES

Senna Said to Seek Williams Move
MILAN, Italy (Combined Dispatches) — Ayrton Senna has rejected bids to drive with Ferrari in 1993 and was quoted as saying he may stop racing for one year if he can't join the winning Williams-Renault team.
 According to interviews in Italian newspapers Thursday by Ferrari manager Nik Lauda, Senna told Lauda he wants to join the Williams team or go on temporary retirement. Senna told the drivers title to Nigel Mansell of the Williams-Renault team. He talked with Lauda at the Monza autodrome, where teams are preparing for the Italian Grand Prix. Mansell, meanwhile, told the French newspaper L'Equipe that he has sought guarantees from Williams about his standing if Alain Prost, the former three-time champion, joins the team. (AP, AFP)

No More Soccer for Bastia Stadium
AIACCIO, Corsica (Reuters) — Bastia's Furiani stadium, where 15 people were killed when a temporary stand collapsed during a French Cup tie last May, will no longer be used for soccer.
 A committee for victims of the tragedy, which wants to turn the ground into a rehabilitation center for those injured, agreed with Bastia club president Yves Canarella on Thursday to find a new role for the stadium.

England Turns Tables on Pakistan
NOTTINGHAM, England (AFP) — England avenged their World Cup defeat to Pakistan earlier this year by clinching the T20 Trophy with a 198-run win over Pakistan in the third of a five-match series Thursday.
 England's total of 363 for seven was the highest in limited over international history, beating the 360 for four West Indies amassed against Sri Lanka at Karachi during the 1987 World Cup.

For The Record
 South Africa's rugby union chiefs appealed to white spectators to honor conditions under which the African National Congress has said Saturday's test against Australia can go ahead. (Reuters)

SCOREBOARD

BASEBALL			
Major League Standings			
AMERICAN LEAGUE			
East Division			
Toronto	W 18	Pct. .638	
Baltimore	14	.539	
Minnesota	10	.362	
Detroit	9	.323	
Cleveland	5	.182	
New York	5	.182	
West Division			
Oakland	22	.800	
Albuquerque	17	.607	
Chicago	16	.571	
Texas	15	.536	
Kansas City	14	.500	
Ottawa	13	.464	
Seattle	12	.429	
NATIONAL LEAGUE			
East Division			
Pittsburgh	18	.643	
Atlanta	14	.500	
Chicago	13	.464	
St. Louis	12	.429	
New York	11	.393	
Philadelphia	10	.357	
West Division			
Atlanta	22	.800	
Chicago	17	.607	
San Diego	16	.571	
San Francisco	15	.536	
Houston	14	.500	
Los Angeles	13	.464	
Wednesday's Line Scores			
AMERICAN LEAGUE			
Minnesota	000	001	0 1
Chicago	001	010	0 1
Crews	000	000	0 0
Twins	000	000	0 0
White Sox	000	000	0 0
Red Sox	000	000	0 0
Yankees	000	000	0 0
Blue Jays	000	000	0 0
Indians	000	000	0 0
Mariners	000	000	0 0
Padres	000	000	0 0
Angels	000	000	0 0
Rockies	000	000	0 0
Braves	000	000	0 0
Phillies	000	000	0 0
Reds	000	000	0 0
Pirates	000	000	0 0
Cubs	000	000	0 0
Giants	000	000	0 0
Mets	000	000	0 0
Cardinals	000	000	0 0
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